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ABSTRACT

These three essays are intended to provide an overview of southern efforts to help increased numbers of young persons make a successful transition from school to work with a future. The first paper, "Smoothing the Path from School to Work: A Promising Venture in Structural Change in a Southern State," by Peter B. Edelman and Myrtis H. Powell, examines the relationship between school reform and the school-to-work transition, placing special emphasis on new South Carolina statewide initiatives in both areas as well as their interrelation. Harvey Pressman's essay, "Equity Advances in Vocational Education in North Carolina," analyzes the role of vocational education as an element in the search for ways of dealing with high unemployment among youth from families living at or below the poverty level. In his paper entitled "Gubernatorial Leadership in Employment and Training: Opportunities in the Job Training Partnership Act," David Mundel discusses the role of governors in making federal employment legislation work effectively against a background of some 20 years of changing federal legislation. (The article by Pressman includes a six-page bibliography.) (MN)

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The State Role in Promoting Youth Employment: Three Perspectives

Peter B. Edelman and Myrtis H. Powell
David S. Mundel
Harvey Pressman

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THE STATE ROLE
IN PROMOTING YOUTH EMPLOYMENT:
THREE PERSPECTIVES

Peter B. Edelman and Myrtis H. Powell

Harvey Pressman

David S. Mundel

Submitted by the

Task Force on Issues in Education and Employment

to the

Southern Education Foundation

September, 1986

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FOREWORD

In 1978, the Southern Education Foundation (SEF) created a formal program in education and public policy. In 1981, the Foundation's Board of Trustees appointed an advisory committee to assist us in ensuring that the program would effectively meet the evolving needs of SEF's primary constitutents, poor and black citizens of the South. Members of the advisory committee are Lisle C. Carter, Jr., chairperson; Norman Francis; Harold Howe; Juanita Kreps; and Ruby Martin. They advised in the creation of three separate task forces--on education and economic development, on devolution of power to the states, and on issues in education and employment.

The State Role in Promoting Youth Employment: Three Perspectives is part of the on-going work of the Task Force on Issues in Education and Employment. The task force is chaired by Dr. Myrtis H. Powell, Executive Assistant to the President of Miami University, Oxford, Ohio. Peter B. Edelman, Professor of Law, Georgetown University, Washington, DC, and Harvey Pressman, President of the Corporation for Opportunity Expansion in Boston, serve on the task force.

This report consists of three essays, two written by task force members and a third by David S. Mundel, formerly Director of the Job Training Partnership Act Program in Boston. The work follows up on a 1983 report of the Task Force on Issues in Education and Employment entitled Promoting Coherent Youth Entitlement Policies and Programs in the South.

That report argued that young people of the South, and the nation, need fair opportunities to arrive at adulthood equipped to be self-sufficient, productive and able to share responsibility in an inter-dependent society, and that a key step to self-sufficiency for most disadvantaged groups is more adequate preparation for the transition to employment. The current collection of essays, which reports on work undertaken in 1984 and 1985, expands on the earlier task force effort.

The Southern Education Foundation is grateful to the members of the task force and David S. Mundel for their efforts on our behalf and pleased to present the efforts which follow.

Elridge W. McMillan
President

Robert A. Kronley
Senior Consultant

INTRODUCTION

The three papers in this publication offer a useful overview of Southern efforts to get at the tough problem of helping more young people to make successful transition from education to work with a future. Two of the papers use individual states, North and South Carolina, as case studies to illustrate promising initiatives in this realm. The third looks broadly at the potential of the Job Training Partnership Act for improving youth employment with an emphasis on the leadership role of governors as a significant element.

The South Carolina study by Peter Edelman and Myrtis Powell offers a special insight into the relationship between school reform and the transition to work. It discusses new statewide initiatives under each of these headings and how they work together. Harvey Pressman's paper provides an analysis of the role of vocational education as an element of the search for ways to deal with the tragic problem of high unemployment among youth from poverty families. It offers an historical perspective that helps to illuminate the nature and potential significance of recent changes in the vocational education efforts in North Carolina. David Mundel discusses the role of governors in making federal employment legislation work effectively against a background of some twenty years of changing federal legislation.

These papers taken together are a rich source of improving our thinking and action about one of the toughest problems our country faces, its failure to offer a timely transition to meaningful employment for young men and women whose families are at the bottom of the economic ladder, particularly those from minority groups. The essays are not formal evaluations of the programs they describe because most of those programs are too new to make such evaluations possible. But they do identify planning initiatives from which much can be learned, and they offer in addition some observations on both achievements and problems in the start up process that should be useful, not just in the South but throughout the United States.

Harold Howe II
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TABLE OF CONTENTS

	Page
FOREWORD	i
INTRODUCTION	iii
SMOOTHING THE PATH FROM SCHOOL TO WORK: A PROMISING VENTURE IN STRUCTURAL CHANGE IN A SOUTHERN STATE	1
Table of Contents	3
Introduction	5
The Demographic Framework	8
The South Carolina Education Improvement Act	10
Life After the EIA: Next Steps	17
The State Employment Initiatives for Youth Demonstration	24
Comments and Questions, Problems and Choices	31
Recommendations	35
Conclusion	38
Appendix	41
EQUITY ADVANCES IN VOCATIONAL EDUCATION IN NORTH CAROLINA	45
Table of Contents	47
Introduction	49
The Context	52
Equity Issues in Vocational Education	52
Vocational Education in North Carolina	61
Recent Changes in Education in North Carolina	66
Key Equity Advances in North Carolina	68
The Basic and Vocational Skills Program at Grades Seven and Eight	68
Dropout Prevention and Job Readiness Training for Secondary School Students	71

Contents, cont'd. Page

Human Resource Development Program (HRD) 77

Other Community College Programs 85

Remaining Problem Areas 91

Conclusion 94

Bibliography 103

GUBERNATORIAL LEADERSHIP IN EMPLOYMENT AND TRAINING: Opportunities in the Job Training Partnership Act 109

Table of Contents 111

Introduction: The Governors and Employment Initiatives 113

An Evolving Tool: From MDTA to JTPA, with CETA in Between 115

Is a Program Needed? Can it Work? 119

JTPA as a Response to the Problems of the Employment and Training System 122

What Can the Governor Do to Make JTPA Effective? 127

Regulatory Power 127

Political Influence 130

Financial Influence (Performance Standards and Incentives) 131

What are the Performance Indicators and How are the Standards Set? 133

How Can Governors Vary Local Performance Measures? 136

Potential Impact of the Model in Establishing Local Standards 137

Potential Pressures Against Performance 139

Conclusion 140

ABOUT THE AUTHORS 143

SMOOTHING THE PATH FROM SCHOOL TO WORK: A PROMISING VENTURE IN STRUCTURAL CHANGE IN A SOUTHERN STATE

by

Peter B. Edelman and Myrtis H. Powell

TABLE OF CONTENTS

	Page
Introduction	5
The Demographic Framework	8
The South Carolina Education Improvement Act	10
Life After the EIA: Next Steps	17
The State Employment Initiatives for Youth Demonstration	24
Comments and Questions, Problems and Choices	31
Recommendations	35
Conclusion	38
Appendix	41

INTRODUCTION

In an economy which has been troubled for nearly two decades by a rising trend of unemployment, it is distressing but not really shocking that many young people are having a difficult time gaining entry to the job market. As serious as the problem would be if it were distributed generally across the youthful population, it is even more serious in that it is not shared equitably. Minority young people have a disproportionately difficult time, as do those who lack the skills necessary to perform productively in a job.

How to manage the economy so as to create enough jobs for all our workers is beyond the scope of this report. So, too, is the full panoply of policies, national as well as local, needed to assure that everyone who can be is fully prepared to undertake productive work and that all discrimination in hiring is ended.

The premise of this report is that a state, working in tandem with its constituent public authorities and private sector community, can make a difference in smoothing the path from school to work.

This report is, therefore, a case study. It is about some of the steps which one state, South Carolina, is taking to assure that its young people are most fully prepared for the jobs of tomorrow, with a special emphasis on equity--on assuring that youth "at risk" of not "making it" get the help they need.

The audience intended for this report is relatively

broad. We hope state and local officials, both elected and non-elected, will find it useful along with educators, business and community leaders, foundations and others interested in genuine equality of opportunity.

As we will indicate, South Carolina's efforts have flaws. The vicissitudes of politics and the limits of human competence prevent any state's effort from being a perfect model. Nonetheless, South Carolina is making some efforts which others would do well to examine and from which others can learn.

One aspect of the endeavor in South Carolina is a major and far-reaching educational reform, the South Carolina Education Improvement Act (EIA), which was signed into law by Governor Richard Riley on June 28, 1984, after a two-year process which he initiated and led. A number of other states have enacted significant educational reform legislation in the past couple of years, but South Carolina's is as far-reaching as any, and as clear and creative in its commitment to invest its new funds equitably.

The EIA pursues changes of both quality and quantity. It commits the state to invest more in education, but only in tandem with significant structural changes mandated by the law. Moreover, part of the investment and some of the structural changes are directed at those young people who are not bound for college and are in danger of failing to make a successful move from school to work.

The second relevant initiative in South Carolina is

narrower in scope and focuses on interagency cooperation at both the state and local levels among those involved with "at-risk" young in one way or another. Called the State Employment Initiatives for Youth Demonstration Project (hereafter, the Demonstration), it is housed in the state's Division of Employment and Training as "lead agency," and is carrying out its work through a Youth Employment Coordinating Council composed of relevant state and local agency heads, key legislators and leading citizens.

The Demonstration is an important complement to EIA, recognizing as it does that the new law by itself will not bring forth a new level of joint effort by concerned agencies on behalf of youth whose multiplicity of problems make them the clients or potential clients of more than one. This undertaking is part of a three-state demonstration project under the auspices of Public/Private Ventures, a Philadelphia-based organization with expertise in youth employment issues, and is supported in part by the Ford Foundation.

Information was gathered for this report in two phases. Ms. Karen Sundstrom, a consultant with Blackwater Associated, Inc., Columbia, South Carolina, was commissioned to conduct a series of interviews with key individuals from agencies, groups, or institutions involved with youth programs in South Carolina. Thirty-five individuals were interviewed, based on their understanding of the overall process which links young people with employment or their particular experience in a part of that system. These interviews were conducted during

the first two months of 1984.

The second phase of information gathering was done by the authors, Myrtis Powell and Peter Edelman, in a visit to Columbia, South Carolina, in May, 1984. A half dozen of the original interviewees were interviewed at this time. Further information has been elicited by telephone and through the mails since.

THE DEMOGRAPHIC FRAMEWORK

Two groups in any state or community can be identified as most at risk of not entering the labor market successfully.

The first group essentially has the basic and technical skills required for entry level jobs, but still needs help with job readiness skills like job interviewing, punctuality and a positive attitude toward supervisors, and with referral and placement into private sector jobs.

The second group is not more numerous, but is more complex and requires a greater investment. These are youth who are effectively blocked from participating in the job market because they lack basic skills. They are, typically, poor and disadvantaged and are often discriminated against because of race. Some are physically and/or mentally handicapped. They often have had little personal contact with others who do work. They are frequently school dropouts or truants, substance abusers, are known to the juvenile justice system, or may be the victims of abuse and neglect.

Within South Carolina there are about 500,000 young

people between the ages of 14 and 21. In beginning its work, the State Employment Initiatives for Youth Demonstration estimated that a minimum 50,000 of this group are "at risk," roughly 10 percent. In later materials, a figure of 30,000 to 50,000 is used.

The 30,000 to 50,000 estimate is a composite, based on a number of indices. Poverty as an indicator would imply something like 75,000 14-21-year-olds in South Carolina at risk. Dropping out of school, as 9,569 9th through 12th graders did in 1983-84, would also imply a figure of about 75,000 for the entire age group. Performance below the 25th percentile nationally on basic skills test would imply a still larger number of 14-21-year-olds at risk, perhaps 120,000.

Other indicators of risk would be: the 5,078 young people, mostly 13-16-year-olds, who were prosecuted in Family Court in 1983-84; the 3,744 young women aged 14-17 who gave birth to children in 1983; and the 1,816 inmates, 17-21 years old, who were in various facilities of the state Department of Corrections in 1983. Seventy-five percent of the latter group had gone no further than the tenth grade in school.

As elsewhere in the nation, a majority of the youth at risk are white, but minorities--in South Carolina, blacks--are disproportionately represented.

By any measure, the 30,000 to 50,000 estimate for 14-21 year-old youth at risk in South Carolina is conservative.

THE SOUTH CAROLINA EDUCATION IMPROVEMENT ACT

South Carolina has hovered for years near the bottom on almost all measures of education efforts. Governor Riley saw in the spate of national commission inquiries and reports of the early 1980s a credible base of information and recommendations that might help make significant change effort possible in South Carolina.

He established a two-tier process--a blue ribbon committee of prestigious citizens and a technical committee of experts--to hold public hearings around the state and come up with a bill. He placed himself fully on the line as well, and worked intensively over a period of many months with all the relevant constituencies and interest groups until the bill was enacted. The attention of the public was focused on education in a way the state had not experienced in decades. Because a one-cent increase in the sales tax was involved, there were people in the business community and elsewhere who argued that the promised gains down the road were not cost-justified. The political work that went into defeating this opposition deserves a case study of its own, but that is beyond our purpose here.

The EIA, as enacted, is broad and comprehensive, with some 50 separate components. It contemplates additional annual spending of $215 million, and makes an extensive number of changes in substantive law as well. The spending is in three main categories: about $60 million annually for those whose performance on tests indicates a need for compensatory

or remedial assistance; sufficient funding to bring South Carolina's teacher pay up the average in the Southeast; and a building, construction, and renovation program priced at $55 million annually.

Equally important, the bill contemplates higher standards for teachers and students alike.

By the 1987-1988 school year, school districts must establish a grade-to-grade promotion policy. In grades 3, 6, and 8 a student's performance on the state's Basic Skills Assessment Program (BSAP) reading and math tests will constitute one quarter of the assessment of the student's reading and math achievement.

Beginning with the 1985-1986 school year, the eleventh grade BSAP test will be eliminated and a tenth grade test will be instituted. Effective with the 1989-1990 school year, all tenth graders must pass this "exit test" in order to graduate from high school. In addition, the plan raises requirements for a high school diploma from 18 to 20 units, and also establishes minimum academic performance standards for athletic participation.

The idea behind the timing is that the remediation program will have had time to take full effect by the time passing the exit examination becomes a requirement for graduation. This compensatory and remedial effort represents a major commitment to provide additional instruction to students who are severely deficient in basic skills. For example, it will for the first time provide state funding for

the estimated 46,551 7-12th graders who are eligible for but do not receive remedial instruction under Chapter I of the Federal Education Consolidation and Improvement Act. It should be stressed, however, that most of the $60 million will be spent on compensatory education for elementary school students, representing a de facto strategy of earlier intervention on preventive premises. The EIA formula for "compensatory" instruction in grades 1-6 is $460 per pupil, while the formula for "remedial" instruction in grades 7-12 is $142 per pupil.

The plan includes provisions for improving the quality of the teaching cadre. For one thing, "continuing contract" teachers who receive unsatisfactory evaluations for two consecutive years will not be eligible for contract renewal. Second, teachers must perform satisfactorily on one of three specific tests, or hold a valid professional certificate, or they will not receive the pay raises contemplated by the bill. (Teachers with 25 or more years of service are exempt from this provision.) Third, incentives are made available to school districts which succeed in improving student performance over the levels at which students were achieving in that district during the previous year. Teacher incentive awards and principal incentive awards are established, too.

The school day and school year are extended, and kindergarten is mandated for all school districts. A new initiative for gifted and talented students is included as are new funds and structures to improve education for handicapped students.

A half-day early child development program is to be made available for 4-year-olds identified as needing extra assistance before entering school. Given the recent publication of a 20-year study of Head Start children in Ypsilanti, Michigan, which showed significant long-term effects in reducing later dropouts, delinquency, and welfare and improving employment outcomes, this particular initiative is especially important from an equity point of view.

The new law mandates student-teacher ratios of 25-1 or better in the language arts and mathematics by 1986-87, requires entering education students to pass a basic skills examination, and creates a loan and loan forgiveness program for young people who go on to teach in rural areas or subject areas of critical need. It provides for state intervention in school districts where educational quality is seriously impaired and, in a provision of considerable potential significance, creates a special division at a deputy superintendent level with a staff of 12 within the State Department of Education, to have sole responsibility for overseeing implementation of the reform program.

The changes brought about by the EIA are even more extensive than what has been described, but these details should suffice to indicate the breadth of the plan.

The whole plan is designed to make the graduates of South Carolina's schools more employable, but some provisions are especially related to that end.

The extensive compensatory education and remediation for

students who are shown to lack basic skills is one such provision, particularly that part of the spending which will occur at the secondary level (although, as noted, most of the new spending will occur at the elementary level).

The remediation program begins at the first grade level, and will be provided throughout a child's schooling, although the two-tier formula means that students in grades 7-12 will not be as intensively served and current 7th through 12th graders will never receive the benefit of the earlier preventive efforts.

A number of specific provisions relating to vocational education are especially relevant to the focus of this monograph on "at-risk" youth.

One such provision contemplates that by the 1987-88 academic year, 50% of the graduates of any given individual vocational education program must have been placed over the previous three years in the specific type of job for which the training was provided, or the program must be discontinued. To this end, each locality is to survey all vocational program graduates 10 months after they graduate, with a report of the results to be made to the state and the compiled results widely disseminated.

Another provision directs the state's Advisory Council on Vocational and Technical Education to conduct an intensive study of the vocational education system in order to determine how it can best prepare young people with the skills employers will require in the years from 1990 to 2000. Data is to be

developed to show clearly how the vocational education system is used by students, who use it for individual courses and who use it for complete sequences of courses. A new management information system is dictated for the vocational education structure, as is the development of a demographic and achievement profile for students who participate in vocational education. The legislation also requires that employers' expectations of vocational education in South Carolina be canvassed and that students' perceptions and views about the system be examined by interviews as well. The study is to recommend specific responses to the needs of low-achieving students, and is to make recommendations on coordination with other state agencies in the areas of education, training, and employment as to how best to serve young people who do not seek postsecondary education.

Since a lack of data about the precise attributes and accomplishments of vocational education in each state is a major impediment to advocates who seek change, the intensive study mandated by the new law is of particular interest. As impressive an achievement as the new law is, it is obvious that its implementation poses a new and complex set of challenges. Those interested in assuring that the new initiatives reach all equitably and hurt none unfairly will have to be especially attentive.

In at least two broad ways, the new legislation, while absolutely necessary and a great step forward, is not sufficient.

One is in the implementation of the law itself. If, for example, its compensatory and remediation features are not implemented energetically and competently, the most likely victims will be low-income and minority students. The higher standards demanded by the act will become, in those circumstances, a new trap for some, a new door that will slam in their faces and shut off opportunity, perhaps even more emphatically than it is denied now.

South Carolina officials are aware of this danger, and discussed three provisions of the law to combat it. The first of these is that remedial and compensatory programs will come under special review at individual institutions where test scores of participating students do not improve sufficiently. The second feature is that consistently poor performance in a school district can trigger special intervention. Six districts are now so designated and are being reviewed by special state-formed teams. The third relevant item is the establishment and presentation to individual schools of incentive awards for achievement and progress, which was mentioned earlier. Interestingly, this program was opposed at the outset by black and low-income parents and administrators of schools serving this clientele, but to date the program has, in fact, worked to their benefit, because the recognition program places special emphasis on the lowest quartile of test scores and their subsequent improvement. Finally, there are, as an administrative matter, ongoing assessment reports to oversight committees which look to the effectiveness of

remedial and compensatory features.

The second broad limitation in EIA is that there are important matters which the law, comprehensive as it is, does not reach specifically (and could not be expected to reach), but which must be addressed. Among these are the problems of young people who, when all that the law provides is said and done, still have trouble successfully negotiating their way into the job market.

Here, of course, is where the Demonstration comes into the picture, and the foregoing indicates why it is especially timely. The coupling of the new law and the Public/Private Ventures initiative together constitute a viable strategy. The Demonstration would probably not even be possible without the law, and in any case would be far less promising. There is every reason to believe that one outcome of the new law will be fewer young people emerging from school unprepared for the labor market and therefore fewer young people for whom a program that focuses on those who "fall between the cracks" would have to worry about. The more effective and equitable the implementation of the general education reform, the better still. So, with the reform law, the "cracks" will be smaller, but they will still be there, and the Demonstration is a necessary complement to the new law.

LIFE AFTER THE EIA: NEXT STEPS

The Demonstration is far from the only complementary effort to the Education Improvement Act. In fact it--and the

emphasis on "at-risk" youth that it represents--is only a piece of a renewed attention to job training that is taking place in the state.

Governor Riley saw the Education Improvement Act as but a first step. In his State of the State Address in early 1985, he began by pointing to improved school attendance already evident, with an additional 7,700 children in school every day in the state. He then turned to jobs as the major emphasis of that address.

It is clear from a reading of the Governor's address that the number of youth "at risk" in South Carolina was not the major reason for emphasis on jobs. South Carolina has lost 25,000 textile jobs over the past five years and expects to lose 10,000 more in the next five years. Governor Riley sees job training as a key activity for government to undertake as part of an overall economic development strategy for the State to help it work its way through its current "period of difficult transition," as the Governor termed it.

Reading between the lines, it is evident that South Carolina is not satisfied with its current job training structure. The Governor pointed out that the state spends about $400 million annually on job training and called for a policy "that prepares people for jobs that do have a future." The implied comment on the current structure in that statement is reasonably obvious, especially because the Governor went on to announced a blue ribbon panel of leading citizens to make recommendations for "redirection of our job training efforts."

Even though the dislocation of thousands of South Carolina's workers received the greatest emphasis in the Governor's remarks, he also mentioned "economically and educationally disadvantaged" people and "those who carry the burden of a handicap."

Nor is the reexamination of job training programs the Governor's only initiative. He is proposing to expand the Rapid Response Teams, which were created at his request to help workers and communities hit by plant closings. To supplement private sector job development and improve the infrastructure that stimulates it, he is proposing new water and sewer development and a highway set-aside fund to build and improve access roads for new and expanding industries. These activities, if supported by the Legislature, will create jobs in and of themselves, as well as improve the climate for economic development generally.

So help for "at-risk" youth is only a part of the picture, and the question naturally arises whether they are getting a fair share of the attention in the Government's current emphasis on job training. The blue ribbon panel, which was chaired by Robert V. Royall, Jr., a Columbia banker, reported back to the Governor in mid-March 1985 and, while its recommendations are not lengthy in terms of elaborate analysis, they are far-reaching in their suggestions of reorganization and inclusive in their coverage of "at-risk" youth.

The primary recommendation of the Royall Committee was for the creation of a state Job Training and Occupational

Education Commission which would replace some of the current bodies with jurisdiction over aspects of job training, take over functions now performed by others, and be linked in various ways to those bodies which would remain.

In order to understand the breadth of the Royall Committee's suggestions, it is necessary to have some background on the current institutional framework.

The primary source of job-related education for high school-aged young people is the vocational education program in the public secondary schools. Over 190,000 students were enrolled in high school in the state in a recent year, and more than 125,000 of these students were involved in vocational programs in the sense of taking at least one course. An additional 20,000 people over 21 years of age were also served through adult programs. Vocational courses are offered through the state's system of more than 200 high schools and 55 area vocational centers. At these special centers students can receive concentrated vocational instruction on equipment used in their intended fields. Placement counselors located at these centers work with local businesses through craft and industry advisory committees to place students in jobs with area employers.

Vocational education is funded primarily by the state, which contributes $46 million annually, and the federal government, which adds $13 million. The magnitude of the program, in terms of both cost and number of people served, underscores the importance of the voc ed-related provisions in

the EIA described earlier.

The next major chronological stage in the system is the state's system of 16 post-secondary technical colleges, known popularly as TEC, which enroll about 56,000 students for credit (57% of whom are under 25) and 87,500 for continuing education (average age 34). The technical colleges offer opportunities for students not pursuing a four-year college degree to develop or upgrade their occupational skills in a wide variety of one and two-year programs. The administrators of the system have worked closely with members of the business community and other state agencies in helping recruit new industry to the state.

TEC receives about $135 million annually--$75 million from the state, $41 million local and $19 million federal. Importantly, from a coordination point of view, the TEC system is not under the governance of the State Department of Education or the Commission on Higher Education, but is governed by a separate State Board for Technical and Comprehensive Education.

Cutting across age lines is the federally-funded Job Training Partnership Act (JTPA). South Carolina is unique in that it runs its employment and training programs on a statewide basis. The State's Division of Employment Training administers JTPA and the state is constituted as a single Service Delivery Area for purposes of the program. This means that planning is carried out for the entire state as a unit, and that the state government has far greater leverage than

many states do to get programs implemented in areas where it perceives a need.

South Carolina spends about $41 million in JTPA money, virtually all of it federal funds. About half the 20,500 people served by the program in a given year are 21 and under, although this does not mean half the funds are spent on young people since they tend to be in the program for shorter periods of time than older clients.

The Vocational Rehabilitation Department is another major actor in the job training picture. It funds education and training services for physically and mentally handicapped and disabled individuals over 16 years of age. It serves about 48,000 people annually, and spends $55 million--$27.5 million in federal funds, $22.5 million in state funds and $5 million in local funds. Young people under 20 are a distinct minority of its clients, perhaps 25 percent.

The new Commission, which the Royall Committee recommended, would replace the current TEC Board and take over responsibility for JTPA, adult education, adult vocational education and vocational rehabilitation. The blue ribbon panel also recommended that the new commission be given "program-approved authority for all secondary vocational education, grades 9-12, in the areas of occupational training." The State Private Industry Council and the State Council on Vocational Education would become committees of the commission. The overall effect, obviously, would be a significant centralizing of responsibility for occupational training.

One group among six "special target groups" that the commission would be "legislatively mandated" to serve "as a part of the regular, ongoing delivery system" is "at-risk youth." All the "illiterate and those in need of additional education to find and hold a job" are to be the subject of a "legislatively mandated... comprehensive approach."

As might be expected, the organizational aspects of the recommendations have already generated considerable controversy. Since it is doubted that the proposals will be enacted exactly as proposed, it is reasonable to foresee some changes. A highly visible, genuinely blue ribbon committee has told the Governor and the people of the state that there is duplication among the various systems and there is "no simply, coordinated plan to deliver job training in the state." It has pointed to deficiencies in "performance assessment" of job training, and in "ongoing coordination between the job training systems and economic development systems." Of particular relevance to this report, the committee was critical of the lack of systematic world of work and career exploration training for both youth and adults.

These and other significant criticisms in the Royall Committee report do suggest that the outcome of the debate which it has generated will be some legislative change in the organization of job training in the state and possibly in the level of resources accorded it.

The Royall report and Governor Riley's associated efforts in the area of job training and development provide further

reason for believing that the Demonstration has very real potential importance. The major current work of the Demonstration is on a specific project to show how state and local interagency cooperation can improve service to certain multi-problem young people, to be discussed in more detail below. But its broader potential, given that it has its own blue ribbon group guiding it, is as an advocate to assure that "at-risk" youth get a fair shake in the broader job training reform agenda now beginning to unfold.

THE STATE EMPLOYMENT INITIATIVES FOR YOUTH DEMONSTRATION

The Public/Private Ventures State Employment Initiative for Youth Demonstration is a 30-month project operating in three states (Oregon, Massachusetts and South Carolina, although Massachusetts' involvement has been terminated) to enhance coordination among agencies that serve disadvantaged and minority youth and to provide more services of higher quality to this population, using existing financial resources beyond the limited Ford Foundation support grant.

P/PV's approach to the demonstration is based on four principles:

1. The project's emphasis must be on tangible activities and outcomes; open-ended calls for coordination will produce no lasting change;
2. The process of developing permanent working ties among agencies is as important as actual programs;

3. The project must be construed as part of a long-term (e.g., five year) effort; its components must therefore be designed to provide a foundation for cooperative efforts that continue after the project has ended; and

4. The states, not P/PV, must be the principal actors in the demonstration, and hence a major goal of the project must be that states develop an ownership interest in what happens.

The three states participating in the program signed an agreement to:

a. Form a high-level interagency Youth Coordinating Council, composed of senior officials from agencies that serve the at-risk youth population.

b. Compile a broad assessment of state needs and programs serving at-risk youth and set specific priorities for groups to be served, through consensus by members of the Youth Council.

c. Create a program fund of state-controlled dollars ($400,000-$500,000 a year) with a requirement that the money for this fund come from at least two sources. Thus far, the state-controlled funds in South Carolina have come from only one source, the Federal Job Training Partnership Act.

d. Use this fund to support to cycles of exemplary employment, education and training programs, operated by localities that match state funds dollar

for dollar. Localities will "mirror" coordination efforts at the state level through the formation of local coordinating groups. Programs supported under the Demonstration will be those proven by research to be appropriate for the target group to be served.

The anticipated outcomes of the program are:

a. A permanent mechanism in each of the three demonstration states to coordinate policy and programs for at-risk youth over the long term.

b. Placement of up to 1,000 youth in unsubsidized employment by March 1986. This goal, as it turns out, will not be reached. The Demonstration in South Carolina is focussing on younger clients and, as a consequence, is promoting employability rather than actual placement.

c. Provision of appropriate services (both in-school and out-of-school) to 2,500 more youth by March 1986. This goal will not be reached either, primarily because P/PV has been unsuccessful in raising additional funds that it had undertaken to find.

In the fall of 1983, Governor Riley and the directors of seven South Carolina state agencies joined with Public/Private Ventures of Phildelphia, Pennsylvania in a written agreement for South Carolina to participate in the State Employment Initiatives for Youth Demonstration Project. According to the South Carolina-P/PV agreement, the goal of the Demonstration

is "to develop and implement more effective employment and training policies and programs for at-risk youth by mobilizing the State's capacity for comprehensive planning and programming."

Hayes Mizell, who for many years directed the Southeastern Public Education Program, is the State Coordinator of the Demonstration. The Office of Employment and Training, because of its unique position in the state governmental structure as well as its key importance in a demonstration of this kind, has been designated the "lead agency" for the project.

The Demonstration was somewhat slow getting started, in part because the Governor and his staff were immersed in working on the EIA. The Youth Employment Coordinating Council was finally appointed in mid-1984 and began meeting regularly, with good attendance. It has 28 members (see Appendix). The Council is chaired by a respected state legislator with a long-standing interest in young people. Its membership cuts across agency and sectoral lines in a number of ways. It has state and local officials, educators, businesspeople and interested citizens. It has senior people from both secondary and post-secondary education. Other public officials are drawn from the Governor's office, the Lieutenant Governor's office, the Division of Employment and Training, the Employment Security Commission, and the departments of Vocational Rehabilitation, Corrections and Youth Services.

The Council has divided itself into three working committees, one on the demonstration project itself, one which is looking at broader policy issues concerning "at-risk" youth and the agencies responsible for them, and one on evaluation of the work. All have been meeting regularly.

A reading of the minutes of the Council and the committees reflects sophisticated, constructive discussion, suggesting both the depth and breadth of knowledge of the participants and the enthusiasm and interest with which they are pursuing the effort.

Assessing the array of areas where improved service to one or another group of young people would necessarily involve more than one agency, the Council selected 14-16-year-old youths who are in school but have been involved with the juvenile justice system as the first clientele for the Demonstration. The basic idea is to place at each school site in the Demonstration a Youth Development Team consisting of a school representative and one employee each of the Department of Youth Services and the Employment Security Commission. The team is to work individually with each youth participant and provide, as a consequence, better educational planning for the youth, improved access to the job market, and supportive services as needed. The Team is to have access to assistance from other relevant state and local agencies as well.

While other good choices could have been made, the choice of Department of Youth Services clientele was certainly a good one. In South Carolina, as in virtually every other state,

communication and cooperation between schools and youth corrections officials are typically poor. The situation is worst with regard to youth who have actually been removed from their community and sent to a state training school or other residential program for a period of months. Their re-entry into their former school is difficult at best and is seldom planned properly. For example, when the young person returns to school, local school officials seldom use or even have available the extensive evaluations of the student developed by the juvenile justice system.

Not all the young people in the Demonstration will have been removed from their communities. Some will not have to be sent away precisely because of the extra help which the Youth Development Team will provide. Others, returning from an institution, should find the path easier.

An applications process has been completed and four school districts have been chosen to participate. Each school district will operate programs at four school sites, with a Youth Development Team located at each site. The program funding source will be primarily the federal JTPA program, although the participating state agencies and local school districts will contribute 30% to 50% of the total project budget for each site. A total of 200 young people will be served in the four school districts combined.

An evaluation process will be set up to keep track of what is going on, mainly for purposes of the longer term, but also to create the basis for deciding whether to continue at

the individual sites for the second year.

As the Demonstration itself has taken shape, the Council and Mr. Mizell have opened up other areas for exploration and examination. The Policy Committee of the Council held hearings in late 1984 with invited witnesses, in an effort to begin a process of developing a shared definition of "at-risk" youth and a shared set of policy and program aims for the state to pursue.

What has emerged thus far from the hearings contains the seeds of a sophisticated policy if it is acted upon. The interaction between the witnesses and the members of the Council produced a long list of proposed policy directions for the state: seven proposed criteria to determine when a youth is "at risk," including poor performance on standardized tests, dropping out of school, teenage parenthood, and involvement with the juvenile or criminal justice system; six proposed essential components for employability development programs, including basic skills remediation, work experience, and intensive counseling; a proposed emphasis on school-based human service delivery to "at-risk" youth; early identification of potential dropouts and intensive attention to their needs; investment in school-financed alternative programs for dropouts, with a major effort to inform them of their options; emphasis on providing youth identified as "at risk" with pre-employment skills, personal support and guidance, and special attention from Employment Security Commission personnel; special vocational education programs for over-age eighth and

ninth graders; and special attention to youthful offenders.

In late February 1985, the Youth Employment Coordinating Council adopted the foregoing suggested definitions and directions as an internal issue agenda--in effect, as a discussion piece for further exploration. The Council said it was adopting the recommendations in principle but they were not considered final. Even if this issue agenda never gains legislative status, it is likely to have a ripple effect because of the way the Council is composed. For example, it is quite likely to make its way into individual school districts, both because the state education department is represented by a senior official on the Council and because a number of respected local superintendents are on the Council as well.

To sum up, then, the framework of the Demonstration--the Youth Employment Coordinating Council and its subcommittees, and the funding for the Demonstration--is in place. The initial project portion of the Demonstration is about to begin in four school districts with 14-17-year-old clients of the Department of Youth Services. And a policy development effort involving fairly broad consultation and public participation is under way to pursue common definitions and directions with regard to "at-risk" youth.

COMMENTS AND QUESTIONS, PROBLEMS AND CHOICES

Samuel Johnson once remarked about a dog that could walk on its two hind legs, "the thing that is remarkable is not that it is done well but that it is done at all." By

standards of perfection there are certainly manifold questions about the degree of South Carolina's commitment to "at-risk" young people, as opposed to others in the labor force and the schools whom it is now moving to assist. But it is certainly remarkable that South Carolina has enacted an Education Improvement Act which emphasizes students who need extra help and focuses particular attention on the vocational education system, has followed up with a new stress on job training and job development which explicitly includes the educationally and economically disadvantaged, and has specifically created a blue ribbon Public-Private Youth Employment Coordinating Council with the explicit mandate of working on some of the gaps left by the larger initiatives now underway.

Nonetheless, there are questions. The interagency cooperation and coordination envisioned by the Demonstration have basically begun only in the context of the multi-site project. The cooperation is real enough there, but no one has moved to begin proposing or building larger, broader, longer-lasting forms of interagency action. Perhaps a more far-reaching mechanism may grow out of the specific cooperation now occurring. Beginning with cooperation built around a specific demonstration is a perfectly reasonable strategy. But the hoped for broader interagency mechanisms that would get more help to "at-risk" youth are not yet on the horizon.

One reason why steps toward broader cooperation have not begun to take place may be that there has never been a "now hear this" message from the Governor. The Governor has never

said directly to the Youth Employment Coordinating Council what he personally wants and expects from it. He has been occupied elsewhere, to be sure, with the EIA's enactment until mid-1984 and in recent months with formulation of the important proposals in his 1985 State of the State Message. But, whatever the reason, there does not seem to have been the same personal involvement with the Youth Employment Coordinating Council that there has been with the blue ribbon council which preceded the EIA and the Royall Committee which looked into job training issues.

Another issue of some concern relates to the clientele served by the Demonstration. The group chosen is entirely appropriate, but it is also true that there is a long list of other gaps where multi-agency approaches would be in order. The policy subcommittee of the Council has identified many of them, and one hopes that the strategy implicit in that subcommittee's work will produce ways of addressing them.

The real game plan has to be to institutionalize the Council as a continuing body of key people concerned with the employability of "at-risk" youth and with developing coordination among agencies with relevant responsibilities in the area. After all the years of demonstrations and projects, we have learned by now that real change and development take time. The lasting change in the structure of state and local governmental and educational responses to "at-risk" youth that is the object of the Demonstration will not occur overnight.

A critical time will present itself in two years or so when the project aspects of the Demonstration are complete. Coincident with that, and perhaps most important, the end of 1986 will be the end of Governor Riley's second four-year term. With a new Governor, the continuation of an activity so lacking in permanence or institutionalization could be precarious. The Council could go out of business altogether or might be allowed to continue as but one of countless numbers of toothless interagency "coordinating" committees that exist in nearly every state. That would not be worthwhile. It might as well go out of existence at that point.

The opposite is possible. The people on the Council, in terms of level of seniority, evident personal commitment and appropriateness of agencies and constituencies represented, reflect a potential for building the Council into a genuinely important cooperative mechanism. Their "clout" could well be felt by a new Governor. Does the state want to encourage its school districts to provide day care for teen mothers so they can come back to school? The Council could facilitate joint planning between education and social services officials to make that happen more extensively and effectively. Does the state want to encourage new relationships between schools and the Employment Security Commission to get placement services and better labor market information into the schools? The Council could help bring relevant officials together to make that happen. Does the state want to encourage broader

involvement of the TECs and perhaps other colleges in remediation in the high schools, as is now occurring in a limited way with the participation of Winthrop College? The Council could help with that as well.

The Council is far from ready to play this type of role now. But it could, and the ground that has been broken with its creation and initial agenda is the right ground. The foundation is being laid. We hope the building will be built.

RECOMMENDATIONS

The activities underway in South Carolina suggest a number of steps and directions which people contemplating educational reform initiatives elsewhere might consider, and a number of issues which people in South Carolina might wish to follow with some care as implementation there proceeds.

For other jurisdictions, based on what has been accomplished thus far in South Carolina:

1. Educational reform legislation should include conscious emphasis on those unlikely to go on to college, especially those who may well not even finish high school. This emphasis should in turn include:

   -- A substantial investment in remediation to ensure every student full opportunity to gain functional literacy and meet competency standards for graduation;

   -- An across-the-board examination of vocational education to assure that all vocational programs

provide proper preparation for currently available jobs and that all students have a fair chance to participate in all programs; and

-- Investment of state funds along with federal Job Training Partnership Act funds in part-time jobs during the school year, preferably in the private sector, coupled with summer jobs, for "at-risk" students who stay in school or, having dropped out, return to school or an equivalency program.

2. To lay the groundwork for legislative success and for proper implementation as well, a careful process of broad consultation and citizen involvement must occur. A highly visible, blue ribbon planning process, adequately staffed, is important. Public hearings throughout the state are important. Negotiations with affected interest groups are critical. If at all possible, for example, agreement should be reached with teachers' representatives in advance concerning a quid pro quo as between pay increases they will receive and new certification requirements to which they agree as a consequence. To the maximum extent possible, civic leaders who participate should seek to master the technicalities of the various means chosen to pursue educational improvement; understanding the content of the promise is critical to judging the extent of its fulfillment.

3. The law should provide a continuing stake in the enterprise and continuing access to the situation for interested citizens. If, for example, there is a provision

for poorly performing districts to be placed in a type of state receivership, the triggering of that receivership should be accessible to non-educators in the district concerned, with judgment to be rendered according to ascertainable criteria.

4. New legislation should be accompanied by structural initiatives, to bring state agencies and their local counterparts together to plan and implement special approaches for multi-problem, "between the cracks" young people. Such initiatives should contemplate agency partnerships that operate at the level of the individual young person and actually deliver service to individual clients on a partnership basis.

For people following implementation of the new law in South Carolina (or anywhere else with a new law):

1. Take steps to see that everyone with a stake knows the law. Classroom teachers should know of the new possibilities for creativity and initiative. Parents need to know their rights. Community leaders need to know of the possibilities. Do not assume that everyone knows. Do not even assume that the local superintendent knows.

2. Find ways to ask regularly who is benefiting from the new law and who, if anyone, is being injured. How is the remediation money being spent? Are there changes in failure rates or dropout rates? If surveys, for example of employers regarding vocational programs, are required, have they been done and what was the outcome? Do not assume anything about implementation. Ask.

3. Be prepared to protect the reforms against a backlash. Despite the best of negotiations in advance, deals can become unstuck. Successor officials can be less enthusiastic than the original proponents.

4. Passing any new law is only the beginning, only the first leaf to be peeled off the artichoke. Implementation is much harder. Over and over, well-intentioned and even well-designed reforms fail because their proponents assumed implementation would occur according to the legislature's intention and turned their attention to new causes elsewhere.

CONCLUSION

Public/Private Ventures has suggested four criteria for sound policy and sound management of youth employment programs.

-- The effective targeting of resources and services for "at-risk" youth.

-- A well-planned and coordinated strategy among all agencies and institutions which deal with youth employment, including schools, governments, and the private sector.

-- An effective assessment, planning, and evaluation mechanism.

-- Collaboration among all youth service agencies and organizations--justice, welfare, education, and human services--to affect all factors that shape the operation of the labor market. Other policies and

programs influence the labor market, and hence youth employment too. These include the tax structure, income transfers, transportation, child care, apprenticeship and vocational education, the employment service, manpower programs, public and private training and work experience programs. These programs cannot remain isolated in their impact upon the labor market; their efforts need to be coordinated.

South Carolina has identified a multi-pronged simultaneous approach to improve education and job opportunities for its youth. The educational reform legislation and the Governor's 1985 emphasis on jobs are comprehensive in their perspectives. The Public/Private Venture program provides a framework for integrating these and other efforts. South Carolina in general, and Governor Riley in particular, are to be applauded for attacking a difficult problem in a committed and vigorous way. We hope other states will find these efforts instructive.

But within this applause, we must issue a strong warning. It is laudable to improve the education of South Carolina's young people. It is commendable to improve the service delivery system. But unless there is concurrent improvement in the national economy, and in the number of jobs available, the results will be a better-educated, more employable youth population which still cannot find enough jobs. South Carolina is seeking to develop an expanded

economic improvement strategy itself, but it must join other states and interested people and entities in advocating an intelligent macroeconomic policy for the country.

We do not have enough jobs to go around in America at present, and the jobs we do have are not fairly distributed. All who are interested need to advocate national policies that increase the number of jobs and see that any shortfall does not impact unfairly on any particular group.

In South Carolina itself, people who see initial entry into the labor force as a critical stage need to press for full and fair attention to all those who are "at risk" at that stage. South Carolina has sought to emphasize equity more than has occurred in some states. Nonetheless, the pursuit of equity is always precarious. It needs an extra measure of attention in South Carolina now--not because the state has turned its back, but precisely because it has opened the door.

APPENDIX

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EQUITY ADVANCES IN VOCATIONAL EDUCATION

IN

NORTH CAROLINA

by

Harvey Pressman

The author wishes to acknowledge the assistance and cooperation of scores of key individuals from private and public agencies in North Carolina who submitted patiently to lengthy interviews and provided hundreds of pages of supportive data. Among those who went out of their way to provide useful information and ideas were Carol Lincoln, R. C. Smith, Stuart Rosenfeld, Kathy Baker-Smith, and David Koulack. Ms. Marilyn Foote-Hudson, an independent consultant, assisted with the research and interviews.

TABLE OF CONTENTS

Page

Introduction 49

The Context 52

Equity Issues in Vocational Education 52

Vocational Education in North Carolina 61

Recent Changes in Education in North Carolina 66

Key Equity Advances in North Carolina 68

The Basic and Vocational Skills Program at Grades Seven and Eight 68

Dropout Prevention and Job Readiness Training for Secondary School Students 71

Human Resource Development Program (HRD) 77

Other Community College Programs 85

Remaining Problem Areas 91

Conclusion 94

Bibliography 103

INTRODUCTION

In a 1984 report on Issues in Vocational Education, the Southern Regional Education Board (SREB) raised a host of crucial questions regarding vocational education: What long-run benefits accrue to a student who has learned to weld or repair carburetors if he or she cannot adequately comprehend written instructions? Among high school students enrolled in vocational programs that train people for specific occupations, does the present distribution of those in technical programs (1%) in comparison to those in agricultural programs (11%) accurately reflect labor market demand? If graduates of trade and craft programs (mostly males) achieve no lower unemployment rates and no higher initial earnings than general program graduates, is the goal of preparing graduates for entry-level employment really being met? How do courses in "industrial arts" and in consumer and homemaking skills contribute toward the objective of gainful employment? Can basic skills instruction be integrated into vocational courses in a way that will improve the basic skills of students who have limited interest in academic subjects? If it really is the role of secondary schools to train young people for entry-level jobs with specific occupational skills, should "major parts" of this training be shifted to area vocational centers and post-secondary institutions?

As the report states, however, it is "not a comprehensive analysis of all the issues concerning vocational

education." For example, "important questions relating to the distribution of vocational students by race and sex are not addressed." The SREB report, in a sense, provides a useful general context for examining the more specific issues on which the present report will focus: those issues which involve equity and equality of opportunity for the poor and black young citizens of the South, for the disadvantaged and handicapped groups for whom public educational opportunities can often provide the single most hopeful route to self-sufficient and productive lifestyles.

The premise here is that many of the ingredients necessary for the creation of such opportunities already exist. The entitlement of these young people to public vocational education has long been established; the commitment to providing adequate vocational opportunities for them has been accepted and endorsed by most educational leaders at the state and local levels; federal funds aimed at improving opportunities for such groups have been specifically earmarked since 1976; state allocations for similar purposes have increased. (In 1980-9181, state and local governments spent $8 for every dollar the federal government spend for vocational education.) What do not exist in sufficient quantity are ideas, program models, effective strategies which can lead to specific employment and income opportunities for the young people who are most disadvantaged.

For these reasons, this report will focus on equity advances in vocational education--to illustrate what has

already been done in areas where specific ideas and approaches have proved workable. The idea of focusing on a single state is also for a practical purpose--to focus the issue of equity in vocational education as a local and state issue rather than a federal or national one, in recognition of the fact that the real locus of power over vocational educational practices resides within the states and local education agencies, not at the federal level.

The idea of focusing on advances should not be construed as a failure to recognize that serious equity problems continue to exist in the state which we have chosen to spotlight. Rather, we have selected North Carolina because, in addition to having its share of the problems, it also happens to have already experimented with some specific new strategies and approaches; and sufficient evidence has already been developed to suggest that a number of these specific ideas are effective, promising, and may very well be adaptable to other areas. Moreover, North Carolina, for a variety of reasons not directly related to each other, had by 1985 experimented with an especially wide range of specific programs aimed at different age groups and students with varying needs, so that many of the elements of what could become a comprehensive approach to equity problems in vocational education were already in place. It is this implicit--and perhaps serendipitous--but nevertheless comprehensive "strategy" which can be extrapolated from the recent experience of North Carolina which makes it such a potentially useful example.

It is information about these kinds of advances which we expect will be of most interest to the audiences whom this report seeks to address: public officials and policy-makers within North Carolina, policy-planners and policy-makers in other Southern states, academicians interested in carrying this kind of policy analysis to its next logical steps, educators, foundation officials, and business and community leaders. Our hope is that such groups will appreciate the seriousness and importance of the need to improve vocational opportunities rapidly for the most disadvantaged young people in their state, and will find within these pages some specific ideas which may help them move forward more rapidly.

A wise social scientist once noted that there is an even graver danger in social programming than the problem of policy-makers wasting precious time re-inventing the proverbial wheel. The greater danger in social planning, he pointed out, is that policy-makers so often end up "re-inventing the broken wheel."

THE CONTEXT

Equity Issues in Vocational Education

As the attached bibliography attests, the past five or six years have witnessed a new spurt of (long overdue) interest in equity-related issues in vocational education. Although much of this interest has focused rather narrowly on issues of sex equity, far more attention than in the past has

also been focused on the issues of primary concern in this report: how fairly are low-income people and minority group members treated within the public institutions which provide the major vocational education services within a state? What specifically can be done to improve the responsiveness of public vocational education institutions to the young people most in need of effective vocational opportunities?

This last question is one that appears to have received too little attention in the recent spate of interest in this subject. It is difficult to find enough practical, concrete, "how-to" reports which could prove useful to policy-makers and practitioners who wish to plan new strategies and devise new practices which might be more relevant to the needs of the most severely disadvantaged populations. That is one reason why this report focuses so heavily on workable practices. It is important from the outset, however, to understand how much more important equity issues in vocational education have become in recent years, as both federal and state expenditures in these areas have increased dramatically, and as efforts to "target" those expenditures to disadvantaged, handicapped and more clearly needy populations have become more numerous and more serious.

It was only two decades ago, in 1963, that equity issues were clearly raised in the national debate about vocational education in the United States. Following the recommendations of an expert panel set up by President Kennedy, the Congress passed new federal legislation aimed in part at

distributing vocational educatioal opportunities more equitably among disadvantaged young people whose access to decent vocational educational opportunities had been severely limited.

In subsequent years, the federal government added specific legislation, regulations, and financial incentives spelling out the need for extra efforts to serve the handicapped, the poor, disadvantaged minority groups, young women, bilingual students, etc., within the existing vocational educational systems that provide access to decent-paying jobs in this country. During the past decade, in part as a result of Congressional mandates incorporated in the Vocational Education Amendments of 1976, the spotlight has finally landed on vocational education; and more and more people have begun to wake up to the fact that federal monies earmarked for special needs and special purposes often get spent for other needs and other purposes, that vocational educators have no way of demonstrating that their programs are accomplishing (or in some cases even pursuing) their stated goals, that women and minority group members are consistently enrolled in vocational education programs with the lowest wage opportunities, that there is strong evidence in some places of racial gerrymandering in the establishment of vocational school districts, that minority group members are significantly underrepresented in apprenticeship programs, that only a third of all vocational students are enrolled in occupational programs designed to lead to particular jobs or

occupations. Along with the recognition of some of the bankruptcies and inequities of secondary vocational education in particular has come a general recognition of the size (5% of all public school dollars are spend on vocational education) and scope of the enterprise. In other words, we may finally be reaching the point where advocates and policy-makers are beginning to understand that vocational education is too important to be left in the hands of vocational educators.

Throughout this period, however, the locus of decision-making power and the requisite initiating energy has remained within the individual states. New opportunities for quality vocational training and subsequent access to decent-paying jobs for disadvantaged young people still depend on local initiatives, local leadership, local energy, local ideas. Within the states of the South, as elsewhere, this has produced an uneven record of progress, back-sliding, inaction, hope, frustration, and promise. Lots of reports have been filed, lots of conferences convened, lots of words have been written or spoken--but only rarely and sporadically has action been taken to produce new opportunities for those previously excluded from them, and even more rarely have such actions been tried on a large scale within those public institutions which have prime responsibility for the delivery of vocational education services.

This report focuses on those particular practices which may be most applicable to the existing major service delivery

institutions in vocational education: programs that are an intrinsic, regular, or on-going part of the offerings of secondary school systems, public community colleges, and other public institutions charged with the main responsibility for providing vocational opportunity. Less attention is paid to serendipitous or "precious" programs which may be serving small numbers of needy citizens very well, but are less likely to spread or to be seen as adaptable by the major service-providing agencies or institutions.

The paper focuses on progress (advances) rather than on problems for several reasons:

(1) Widespread pessimism about the potential resistance to change among vocational educators too often sets up a self-fulfilling prophecy, because people who think changes aren't possible don't try to make them happen.

(2) New and more local thrusts for equity improvements in vocational education are needed as federal initiatives wane and the federal legislation encouraging many of these changes fades into the past.

(3) Growing evidence about the actual implementation of federal equity initiatives suggests that there never really has been a national equity initiative in vocational education, but rather a set of national goals rarely implemented. Those equity advances which have been made have been made on a state-by-state basis, and well-intentioned local

practitioners in all states need more concrete examples of what can be done.

(4) Those currently underserved or poorly served by vocational education are precisely those young people whom the Southern Education Foundation has always been concerned about, the ones who are at risk of becoming permanent dependents on government support, at great expense to themselves and future taxpayers. The programs described herein are thus not just important investments in people, they are investments which in most cases produce savings in future dependency costs well in excess of the original investment.

Over the last two decades, and especially since the passage of the Vocational Education Amendments of 1976, a voluminous literature relating to various equity issues in vocational education has grown up. A close reading of this literature suggests that the following issues are of crucial continuing concern in the states of the South:

a. Access to Community College Resources -- In many states of the South, including North Carolina, the public community colleges have taken over a good deal of responsibility for training local citizens in the job skills needed by local employers, especially in the more modern and technical "payoff" areas of skill development. As this happens, the question of whether poor, disadvantaged, and handi-

capped young people have access to these promising training opportunities becomes more relevant.

b. The No-Man's Land of the General Track Student -- Even in the areas where secondary educational institutions have been able to modernize their offerings and provide effective, job-relevant vocational training, the poorest and lowest-achieving students are often excluded from the vocational tracks that do lead to well-paying jobs, and sidetracked into a general curriculum which is neither fish nor fowl, neither academic nor vocational, with a consequent reduction in motivation, expectations, and achievement.

c. The Basic Skill Deficiencies of Low-Income Vocational Students -- Although local employers make increasingly clear that the ability of new workers to read, write, and compute accurately is at least as important to them as any particular skill-training they get, students in many vocational tracks are still frequently well behind their grade-equivalent achievement levels in these basic skills, thus losing opportunities for jobs and/or job advancement. These students tend to be overwhelmingly from low-income backgrounds.

d. General Access for Minority Students, the Handicapped, and Poor Rural Students -- In other areas where high quality vocational education

programs leading to jobs with the potential for upward mobility in growth occupations have been created, the exclusion of minority groups, special-needs students, and low-income rural students is still more the rule than the exception. Equity demands not just greater access on more vocational education programs, but more equal access to these quality programs that lead to jobs with a future.

e. Access for Pregnant Teenagers, Teen Parents, and Other Low-Income Women -- The growing "feminization" of poverty in America has led a wide range of economists to predict that most of the poor in America will live in female-headed households by the year 2000. Thus the question of access to decent job training opportunities for teen parents, women on welfare, and other low-income women whose economic prospects would otherwise be especially dim, looms large as an increasingly important equity issue for vocational educators.

f. The Poorest of the Poor -- Economists are also teaching us that equal opportunity is disproportionately distributed even within that part of the population labelled economically disadvantaged. Yet, for the poorest of the poor, access to some kind of training that offers a way out plays an even more crucial role in their ultimate fate as either self-sufficient citizens or lifetime

government dependents. Thus the question of the willingness and ability of vocational education programs to reach beyond those most likely to succeed even among the eligible disadvantaged populations becomes relevant.

g. Non-Traditional Job Training for Low-Income Women -- Often, the word "equity" is used in vocational education circles exclusively in discussions of sex equity issues. And too often, in these discussions, the issues have been focused especially on the ambitions and horizons of middle-class and/or academically talented students, or on token participation by young women in traditional male vocational bastions, such as auto mechanics. The more significant, long-term sex equity issues for low-income women, however, would appear to be the question of the continued siphoning of the most poor young women (even many with academic talent, apparent math and science abilities, and technical interests) into a relatively few vocational areas, such as office skills, distributive education, homemaking and the like. Even where these do lead to employment, the jobs tend to be "female ghetto" jobs, where wages are limited and opportunities for advancement constricted.

While none of these issues are restricted to the states of the South, they do seem to have particular relevance to

the current condition of vocational education in many Southern states. It is for this reason that practical approaches to dealing with these issues which seem to be working in one Southern state may be of special interest to people who wish to see advances occur in other Southern states. There is no doubt that in each of the states of the South, there are examples of advances in dealing with these issues as well, and it is our hope that studies like this will be emulated by writers in other states, to pinpoint those advances and how they came about. Nevertheless, it seems sensible to begin such a dialogue with a state like North Carolina, where, for various reasons, considerable evaluative and research information on these issues already exists.

Vocational Education in North Carolina

Over the past 50 years, North Carolina has moved ever so slowly and not very surely towards the development of statewide policy direction in the conduct of vocational education. Only in the past six or seven years has the state begun to take periodic initiatives in this area, and only in even more recent years has a clear sense of direction and responsibility begun to emerge.

Prior to the 1930's, education in North Carolina was primarily locally controlled, financed, and operated. Vocational education came into the picture through a federal initiative--the enactment of the Smith-Hughes Act in 1917.

The main purpose of Smith-Hughes was to provide for cooperation with the States "...in paying the salaries of teachers, supervisors, and directors of agricultural subjects, and teachers of trade, home economics, and industrial subjects and in the preparation of teachers...." For each dollar of federal money expended for salaries, the state or local community (or both) had to expend at least an equal amount. Thus, vocational education in the public secondary schools (and in teacher education institutions) was initiated and nurtured by the federal government.

In 1933, the General Assembly passed laws by which the state took over general responsibility for public education. Provisions included minimum financial support for all basic education programs, but not for vocational education. Even when the state was "overmatching" federal dollars for vocational education by as much as eight to one, vocational education programs were still operated primarily under federal regulations, because North Carolina lacked a policy for (and financial commitment to) vocational education. In later periods, other federal legislation was passed which affected vocational education. For example, the George-Deen Act of 1937 provided funds for distributive education and more funds for vocational teacher education. In 1963 two significant laws were passed, one federal (Vocational Education Act) and one state (Community College Act). The Vocational Education Act of 1963 was significant because it suggested a different federal role in regard to vocational

education than other vocational education acts up to 1963. The Vocational Education Act of 1963 encouraged states to begin to develop their own vocational education policies. But no such overall state-level policy for vocational education was developed in North Carolina.

The new state law created the community college system. The Community College Act stated: "The major purpose of each and every institution... shall be and shall continue to be the offering of vocational and technical education and training..." for adults. This Act thus established the state's policy and basic state financial support for vocational and technical education offered for adults through the community college system. These changes in federal and state laws in 1963 had very limited impact on the operation of the public school vocational education programs, or on vocational teacher education efforts in the higher education system.

In 1969, the federal Vocational Education Act was amended. The State Board's responsibility to develop a State Plan for Vocational Education remained. For the Department of Public Instruction, developing its part of the State Plan for Vocational Education became an increasingly complex task for the following reasons: (1) there was a very limited legal base in state statutes regarding public secondary vocational education; (2) the State Board lacked consensus as to the purpose of vocational education for secondary school students; (3) there was a long history of operating vocational

education programs the "federal way" in the public secondary schools; and (4) the federal Vocational Education Act of 1968 targeted federal funds and required matching dollars for very specific purposes and activities.

In 1976, gubernatorial candidate Jim Hunt drew attention to the lack of occupational education legislation in North Carolina:

> Our General Statutes do not prescribe a comprehensive state policy on occupational education. We need legislation that sets basic standards for occupational education programs, that requires appropriate program evaluation and that sets guidelines for cooperation between secondary schools and community colleges.

A vocational education bill finally became law on June 8, 1977. Key features of the new State Vocational Education Law included: (1) the State Board of Education serves as the State Board of Vocational Education, (2) the State Board administers a comprehensive program of vocational education, which shall be available to all students in the public secondary schools of the state; (3) the State Board of defines the state's policy for vocational education and the system utilized for the delivery of vocational education programs, services, and activities; and (4) the State Board is to make sure that articulation occurs with institutions, agencies, councils, and other organizations having responsibility for manpower development.

Recent actions by the General Assembly have had a further impact on vocational education. For example, the

General Assembly in 1980 instructed that a monthly salary supplement be paid to "... vocational teachers that require work beyond the normal school programs." The 1983 General Assembly provided for a new program for basic and vocational skills at grades seven and eight. In addition, the 1984 General Assembly began to pick up the local matching cost for vocational education programs with state funds.

The 1979 General Assembly assigned the authority of the State Board of Education over the operations of the Community College System to a new board--the State Board of Community Colleges. State law continued to require that "the major purpose of every institution... shall be the offering of vocational and technical education and training, and of basic high school level, academic education needed in order to profit from vocational and technical education, for students who are high school graduates or who are beyond the compulsory age limit of the public school system and who have left the public schools." The State Board of Education's authority over federal vocational education funds and its planning authority over these funds for post-secondary vocational education were granted to the State Board of Community Colleges.

The Job Training Partnership Act (JTPA) became fully effective on October 1, 1983. The major purpose of this act is to provide for the training and retraining of eligible youth and adults. During the 1984 Session of the General Assembly, there began to emerge an awareness of the role of

education in JTPA. For example, the General Assembly authorized the State Board of Education to use up to $200,000 of the Basic and Vocational Skills Program funds, appropriated for 1984-85, "to match JTPA funds." Furthermore, the 1984 General Assembly expressly authorized the State Board of Education to use any "federal funds that become available" to prepare public high school seniors for the transition from school to jobs or to skills training in the community college system.

Recent Changes in Education in North Carolina

Recent years have also witnessed some important general changes in education in North Carolina--changes which can provide a context in which equity issues in a specific area like vocational education ought to be viewed. The high school dropout rate, for example, declined from 32 percent in 1979 to 26.8 percent in 1983. The State Board of Education has tightened the core requirements for high school graduation, adding new emphasis to basic subjects like English, the sciences and mathematics. The State Board of Education and the Board of Governors of the University of North Carolina have put in place a quality assurance program featuring pre-service screening tests and a two-step certification process, to help make sure that people entering the teaching profession are more competent to teach.

For younger students, a primary reading program, in the first three grades, put a teacher and an aide in every class of 26 children, and focused new resources on early reading

skills. Free public kindergarten is now available to every child in the state. In 1977, a statewide program of annual achievement testing for students in grades 3, 6, and 9 was started. Since that time, scores have increased continuously and, in 1981-1984, North Carolina students' scores exceeded the national average in all subject areas tested. The Primary Reading Program has also produced significant gains in achievement: primary students in North Carolina in 1975 were scoring below the national average, but in recent years they have scored well above the national average.

North Carolina's efforts to develop a more skilled and literate population seem to have helped contribute to the state's rapid economic growth in recent years and to have proved popular with voters. Educational progress has become a popular issue in a state where adult illiteracy remains a significant problem. (The 1980 Census reported over 800,000 functionally "illiterate" adults in the state.) But to reach those young people most likely to move into the functionally illiterate adult (over 25) category in the next decade, and to prevent high youth unemployment rates among low-income blacks, people with handicaps, teenage parents, and other disadvantaged groups from persisting into the adult years (22,000 students still drop out of North Carolina's high schools each year), new ways of providing increased access to meaningful vocational training must be found. The pilot programs, demonstrations, and new initiatives described in this report indicate some useful directions.

KEY EQUITY ADVANCES IN NORTH CAROLINA

Over the past several years, North Carolina has had its share of problems, false starts, and headaches in attempting to implement new equity mandates in both federal and state vocational education laws. These problems have been amply documented. Also well documented, on the other hand, have been some of the ways in which vocational education institutions within the state have responded to these new mandates with programs which have opened up new opportunities to the very poor, to disadvantaged women, to special needs populations, and the like.

The Basic and Vocational Skills Program at Grades Seven and Eight

The North Carolina General Assembly has established this special program for low achievers to help keep high-risk students in school, to identify and correct students' learning deficiencies in the basic skills, and to "provide a broad range of introductory, vocational skills which will prepare the students for further programs or the job market." With an appropriation of $2,363,400 for the 1984-1985 school year, the program funds some 72 seventh-grade programs in middle and junior high schools, equally distributed among the eight education regions in the state. Special emphasis is given to provide 20-50 low achieving, "high-risk" students in the 72 approved schools with the opportunity to enroll in an instructional program that will combine a strong emphasis on academic learning (reading, mathematics, social studies, and

science) with hands-on experience in occupational areas (manufacturing, construction, communications, energy and power, typing, and microcomputers).

In 1985-86, the same 20 to 50 students from each school who were in the program during 1984-85 will continue to participate, while an additional group of 20 to 50 seventh graders per school will begin the program. For these students, the school day is to be organized in a way that "protects" adequate time for the basic skills and also provides time to explore, to be active, and to experience hands-on activities. Students in the program must spend a minimum of four periods per day concentrating on the basic skills, one period per day learning hands-on vocational skills, and one period per day in vocational orientation activities.

The vocational orientation component provides students in grade 7 with an introduction to the world of work, a knowledge of career paths, basic business and office skills, group guidance activities, and the development of positive work habits. The second year will continue these components on a more individualized basis for students. Career paths will be narrowed, more advanced computer and typing skills will be taught and individual guidance services will be in place. By the end of the second year, each student will have developed an individual plan for completing high school. This plan is supposed to include the continuation of vocational skills training so that the student "will be

prepared after high school graduation to go directly into the job market or seek advanced vocational training" in the community college system.

Nobody expects the program to work in all 72 schools, and it is still too early in the program's history to make any conclusive judgements about its successes or failures. But some interesting ways of thinking about what to do with potential dropouts and low achievers who are already set on a clear path to educational failure by sixth grade have already surfaced among the planners of this project: offer these high-risk low achievers a new beginning. Don't keep making the same mistakes. Tie their basic skills training to some more concrete, immediate purposes in a way that helps them see practical reason for learning. Build some incentives into the program especially for them. Use the kind of individual planning and goal-setting at an early point which has proved helpful with so many special needs and handicapped students. Assign teachers who don't communicate with their every word and deed that they have already given up on these "losers." Focus substantial additional resources on relatively small numbers of students to help insure efficient impact on at least some of the participants. Spread the program around in enough schools in enough regions so that its successes will not seem so precious and isolated that people in other schools will be able to think of them as exceptions. Seed the system as a whole.

The value of the program's potential successes should be

readily apparent to anyone who has read about the true economic and social costs of dropping out--to the individual dropout and to society. This model should be followed closely and evaluated independently, because its potential as a successful investment in an "ounce of prevention" is so great.

Dropout Prevention and Job Readiness Training for Secondary School Students

The Job Readiness Training (JRT) Program provides job readiness training, career activities, and job placement assistance to high school students about to enter the permanent work force. The program was developed and tested in Edgecombe County during the 1981-82 and 1982-83 school years, with funds provided by the North Carolina Employment and Training Council. Because of the favorable results achieved in Edgecombe County, the state also funded an expansion of the JRT program into three other school systems in Mitchell, Avery, and Yancey counties during the 1982-83 school years. The program had expanded to 21 schools in North Carolina by Spring 1984, and was being replicated in several Florida counties.

The JRT curriculum draws heavily from proven components of the Human Resources Development program administered by the state's community colleges and technical institutes and from school-to-work training programs tested nationally in recent years. JRT is targeted to economically disadvantaged seniors who are not enrolled in vocational education, distributive education, or cooperative education curricula.

Classes are small, averaging 10 to 15 students per group, to maximize student/teacher contact and to permit the active involvement of students in classroom discussions and group activities. Instructional areas include improving self-image, goal-setting, coping skills, attitudes toward work, and job search skills. Project staff assist participants in the creation of individualized employability development plans. No allowances or other payments are made to participants.

During 1981-82, JRT classes met three times a week for one semester. Assessments of that year's program by JRT students, county school personnel, and employers of JRT graduates indicated a need to lengthen the period of instruction and to enrich the course with more field trips to area business. As a result, in 1982-83, JRT was offered as a two-semester credit bearing course in the Edgecomb County Schools and as a 90-day credit bearing course in three other schools. The other schools also experimented with enrolling noncollege-bound juniors and dropouts enrolled in extended day programs.

JRT instructors spend 60 percent of their time in the schools and 40 percent in the community making employer contacts and developing jobs. Employers are frequently invited into the classroom to talk about their companies and to share career and work-related information. Local employers also serve on advisory committees which help guide program development, curriculum design, job development, and program evaluation.

During the first year of testing 120 seniors were enrolled in JRT; 92 percent completed the program and 39 percent were placed in permanent jobs at an average wage rate of $3.66 per hour. Another 30 percent of the participants enrolled in post-secondary education or other advanced training programs. A total of 173 students--137 seniors, 21 juniors and 15 extended day students were enrolled in 1982-83; 88 percent completed the program. Thirty-five percent of the seniors were placed in unsubsidized jobs and another 48 percent enrolled in post-secondary education.

JRT is designed to promote the personal growth and improve the employability of non-college-bound youth. Daily lessons teach students how to select careers that are consistent with their interests and aptitudes, and how to look for and get jobs. Classroom activities are supplemented by plant tours of local businesses and industries, field trips to the employment service and local technical schools, and seminars with employers. Selected students participate in tryout employment; all students receive assistance in finding unsubsidized employment upon completion of training. An optional component of the program provides basic skills remediation through the use of microcomputer software in especially designed tutorial centers.

The coursework and tryout employment component are designed to impart preemployment and work maturity "competencies" to participants. The program describes them as follows:

1. Self-Awareness is the ability to recognize personal interests, values, aptitudes, and skills that relate to success on the job. This includes the ability to identify personal habits, characteristics, attitudes and weaknesses that may serve as obstacles to success on the job and to suggest ways of overcoming these barriers.
2. Decision-Making is the ability to apply the principles of good decision-making to personal situations. It includes the ability to set short-term and long-term goals as a means of being successful at school and at work.
3. Self-Confidence is the ability to interact with peers and others confidently and assertively, i.e., by maintaining one's personal rights while also giving consideration to the rights of others.
4. Career Awareness is the ability to understand why people work and the different ways work can be rewarding. It includes having knowledge of the major career clusters and the educational and training requirements for entry-level jobs within those clusters.
5. Labor Market Awareness is the ability to comprehend the nature of the local labor market, including knowing who the major employers are and what types of employment are available. It also

includes the ability to relate personal career interests to the local labor market.

6. Career Choice is the ability to select a career goal that is consistent with personal interests and aptitudes and to formulate a plan for achieving that career goal.

7. Job Seeking is the ability to find out about and act upon job openings. It includes being able to use resources that are effective in finding jobs; to interpret want ads; to prepare a personal resume; to complete job applications properly; to write letters of application; and to dress and behave properly at job interviews.

8. Job Keeping is the ability to exhibit proper on-the-job behavior and to resolve conflicts (both on and off the job) that may affect job performance. This includes meeting standards for attendance, punctuality, dependability, self-control, following directions, getting along with co-workers and with supervisors, and performance of job duties.

9. Problem-Solving is the ability to resolve personal and work-related problems, including those caused by stress, to minimize the potentially negative effects of such problems on job performance.

10. Personal Finance Management is the ability to make effective use of the financial and other benefits

of employment. This includes the ability to interpret paychecks, develop a personal budget, understand the purpose and use of savings accounts and checking accounts, and understand the purpose and benefits of social security and health and disability insurance.

The target groups for the program are clearly characterized in a recent 1984 program brochure: "Teenagers who fail to plan, plan to fail. You've seen them in your community--bored, disillusioned young people, unemployed because they left high school with no plans for further education and no skills for getting and keeping a job." Potential dropouts, economically disadvantaged seniors, juniors and seniors who aren't college-bound--these are the kinds of students that counties are finding the JRT model most useful for.

The early successes of the program in the pilot areas have led to the continued expansion of the program in 1984-85 to over 50 schools in North Carolina.

JRT in the high schools and the Basic and Vocational Skills programs in the junior high schools are two of the most rapidly spreading models within the educational system, but they do not by any means constitute the total arsenal of dropout prevention programs. The state received a three-year $500,000 grant from the Z. Smith Reynolds Foundation in June of 1984 to assist schools in expanding a system for coordination of human services to focus on students diagnosed as

high-risk, potential dropouts. Three pilot sites will become dropout prevention models for the state. In addition, the "comprehensive plan" for dropout prevention in North Carolina incorporates Dropout Prevention/Job Placement Centers (which rely primarily on JTPA funding); Extended Day Programs (for dropouts); intensive new remediation programs; and an early identification of "high-risk" students initiative.

Human Resource Development Program (HRD)

One of the oldest, biggest, and, perhaps, most successful of these programs operates within the North Carolina community college system, is especially geared to the chronically unemployed and underemployed, and features a unique "earnback index" based on the economic performance of the program participants.

Known as the Human Resources Development (HRD) program, it operates in 45 of the 58 institutions in the North Carolina community college system, providing pre-vocational training and counseling. Upon graduation, students are offered either assistance with job placement or opportunities for skills training. Students receive follow-up services for one year.

HRD prepares those persons who are the least capable of successfully entering the work force on their own. The program's objective is to reduce welfare payments, unemployment, and underemployment by making it possible for the hardcore unemployed to become and remain productive employees.

Initiated by MDC, Inc. as a pilot program in 1969, and operated as a program of the community college system since 1973, HRD is one of the few state-funded pre-vocational programs for adults in the nation. Funding for the program stands at more than $2.7 million annually. The majority of HRD enrollees are black females.

Students in the HRD program enroll for a period of instruction that averages eight weeks. The curriculum includes an orientation to the workplace, instruction in human relations skills, and in reading, writing, and arithmetic skills that are essential to securing and maintaining employment.

HRD is the only public edcuation program in the United States in which the size of each institution's continued funding is based on the economic performance of its program's graduates. A modified earnback index is used to evaluate the program. The index, which was developed by MDC during the pilot phase of the program, is determined by adding the aggregate increase in the graduates' income from the first 12 months after training to the decrease of graduates' public assistance for the same period. The total is then divided by the program's training costs. For example, the earnback index for fiscal year 1981-82 was 2.414. That means the program paid for itself in the form of increased income and decreased public assistance payments two and one-half times over.

Earnback Index 1981-82

$$\text{Earnback Index} = \frac{\text{Income Increase + Public Assistance Decrease}}{\text{Administrative Costs + Stipend Costs}}$$

$$\text{Earnback Index} = \frac{\$7,368,166 + \$1,023,822}{\$2,614,673 + \$\ 861,151} = 2.414$$

In 1982, MDC, Inc., completed a statistical and descriptive study of the HRD program after almost ten years of "institutionalization." That study noted a number of interesting changes in then-current programs, compared to the original HRD programs in Greensboro, Asheville, and Craven County in 1982. The programs:

(1) Involved more public assistance recipients. Only 14 percent of the participants in the HRD program in 1970-71 were receiving public assistance. In 1980-81, the percentage of participants who were public assistance recipients had risen to 39 percent.

(2) Made more training related placements. Figures were not available for training-related placements in the original centers, but they were definitely not a program goal and were few. The original earnback formula also did not provide for earnings gains calculations related to further training. Early in the HRD experience in the community college system, however, a way was devised for crediting training directly related to jobs in earnback. In 1980-81, 16.1 percent of graduates were placed in further training after HRD.

(3) Enrolled more females. The original Greensboro Center showed a 55 percent female enrollment. For the first three centers, enrollment of females increased to 66 percent; and the 1980-81 female enrollment was at 73 percent.

(4) Enrolled more whites. The Greensboro Center had a white enrollment of only 10 percent by its last cycle. In 1980-81, across the statewide HRD system, white enrollment was 41.1 percent.

(5) Used stipends less. The original HRD program was conceived as requiring stipends to attract truly disadvantaged participants. A stipend ($20 a week) was utilized in Greensboro for virtually all day enrollees. When HRD entered the community college system, use of stipends was spotty. It reached its height in 1976-77, when 90.8 percent of all participants received stipends. The decline in use of stipends to 68 percent in 1980-81 was less related to a decline in the amount of (CETA) money available than to the growing conviction within the system that full stipends were not necessary, and might even bring into the program individuals more difficult to motivate to hold jobs. At the same time, the negative impact of stipends on earnback was apparent and had persuaded many programs to reduce their use.

(6) Continued to enroll disadvantaged participants. Mean years of education of participants varied little from

Greensboro Center days, staying nearly constant at 10 (1980-81 figure: 10.3). Pre-program earnings went from $943.47 in 1976 to $1,179.04 in 1980-81. (Using standard measures for inflation, the 1980-81 figure comes to 813.87 deflated dollars, actually a decrease in pre-program earnings.) Public assistance participation had increased a total of 178.6 percent.

While these conclusions were sustained in the general review of HRD, the 45 programs also displayed a high degree of individuality. What was true for one program was far from true in a half-dozen others. Some of that program-to-program diversity which showed up included:

-- Eligibility criteria. Enrollment policies varied from 100 percent CETA-eligible to completely open-door for 18-year-olds. The main restrictions on participation were age (18 plus), income, educational level (from dropouts through high school graduates), and employment (31 programs required that the participants be unemployed, usually for at least a week).

-- Willingness to serve special populations. Some programs had special cycles for youth or imprisoned offenders. One was exclusively for welfare recipients.

-- Location of program site. Six schools used off-campus sites, 12 used multiple sites, and only 60 percent had a single, on-campus site.

-- Length and content of curriculum. The length varied from special two-week cycles to normal 8-week courses up to 10 weeks. Two offered high school completion rather than remedial education; one offered no educational component; only three had skills training components; four had Business and Industrial Training; five had legal aid training; 32 geared the educational component toward GED preparation; 32 offered Adult Basic Education; and 40 had consumer education.

-- Use of stipends. Seven used no stipends in 1980-81; one was 100 percent stipended; the remainder were between those extremes.

-- Availability of support services. Generally support services were not offered, although six of the programs gave day-care assistance, and eight provided other services, such as travel or dependent allowances.

-- Staffing. Total staffing for a single HRD program varied from a low of two part-time people to a combination of full-time and part-time staff adding up to nine persons. Eighty percent of the programs had three to five staff members. While 44 programs had coordinators and 42 programs had instructors, only 24 had individuals whose main responsibility was job development.

-- Enrollment. Total enrollment per program varied in

1980-81 from 25 to 267. Minority enrollment varied from zero percent to 100 percent; public assistance enrollment from 7 percent to 71 percent; male enrollment from 5 percent to 61 percent; and percentage of high school graduates enrolled from 19 to 98 percent.

While many differences existed between the various programs, there were elements consistent with the way HRD had been operated in the past, and there were also elements of change.

The program generally had kept the basic curriculum, despite the existence of many variations. It had kept its focus on small groups of disadvantaged individuals and it had kept--although diluted in some places by training-related activities--its basic emphasis on direct placement in jobs.

It had lost a degree of involvement from the private sector. While some of the HRD programs had strong job developers, others made job development a part-time activity involving several individuals, none of whom was especially qualified.

The program had increased its emphasis on academic training and, to some extent, its linkages with training programs, including skills training, and especially its ability and willingness to help program participants during and after their involvement in HRD to gain their high school equivalency degree. The program had also grown in a broader, philosophical sense, as shown by a new willingness to explore

the individual trainee's best potential and a refusal to settle for entry-level work at the end of every training cycle as an end in itself.

During fiscal year 1981-82, 76 percent of the 3,801 persons who enrolled in the HRD program completed the course of instruction. Of these, 60 percent were placed in jobs or vocational training.

Viewed as a group over the five program years involved in the 1982 study, HRD participants experienced modest, but increasing, earnings gains in the year after completing training.

-- Average annual earnings increased from $943.47 before training in 1976-77 to $1,752.95 the year afterwards.

-- Average annual earnings increased from $1,179.04 before training in 1980-81 to $2,440.76 the year afterwards.

-- The increase in post-training earnings gains over the five-year period came to 50.5 percent.

One year after completing HRD, then, the average participant had improved his or her economic situation, but was still well below the official government standard of poverty-level income (which was $3,790 for an individual in 1980). The participant earnings figures, of course, include data on participants who remained unemployed and on welfare, so that they tend to understate the gains made by those who were employed.

Three years after completing HRD, the average participant appeared to be almost out of poverty, or at least had earnings which approached the official standard of poverty-level income. The three-year tracking of HRD participants in a sample taken from the class of 1978-79 indicated average earnings in 1980-81 of $3,476. That represented:

-- An increase of 98.3 percent over the average post-training earnings of the class of 1978-79 one year later.

-- An increase of 42.4 percent over the average post-training earnings of the class of 1980-81 one year later.

Other Community College Programs

The successes of HRD suggest some of the potential benefits of marrying the resources of the newer and, in many ways, more flexible community college institutions to the vocational education needs of the very poor.

But HRD, for all its strengths, still does not illustrate the full potential of these institutions, which have become the primary source of relevant vocational skill development in so many communities. As the resources of these institutions have grown, the question of how these resources can be made more relevant to the needs of the neediest citizens in the community has also become more important. The community colleges in North Carolina--separately, idiosyncratically, and in some cases primarily in

response to local political pressures or the influence of a particular leader--have begun to respond in interesting ways to the special needs of certain groups within their communities. Taken separately, they do not yet represent any kind of "systematic" response (as HRD may claim to be); but, taken together, what is going on in different places is quite suggestive of what could become a generalizable response on the part of community colleges to the opportunity needs of severely disadvantaged young people within Southern communities. The following examples illustrate some unusual ways in which community colleges are assuming greater responsibility for such people:

-- In Jamestown, Guilford Technical Community College (GTCC) has established written agreements to provide support services for high school dropouts from the three school systems in its area--Greensboro City, Guilford County and High Point City.

Under these agreements GTCC has placed a counselor in each school system office. The counselor has direct access to information about dropouts and is notified by school personnel when a student completely withdraws from school. Within 15 days of the student's withdrawal, the counselor contacts the student by phone or by a home visit if necessary. If the student is interested, the counselor takes the student to the local office of the Employment Security Commission. Employment Security Commission staff help the counselor determine

if the student qualifies for assistance under the Job Training Partnership Act and if so, perform an assessment of the student.

The GTCC counselor then works with the student to determine his/her strengths and weaknesses and devises an employability development plan. This plan outlines remedial courses needed and skills training courses the student is qualified to undertake. For example, the employability development plan may recommend the student be placed in an adult basic education development program. A special clause in the contract between the school system and GTCC allows the student to be placed in a skills program that does not require a high school diploma. This is to encourage the student to undertake additional training to increase his chances for employment even if he is not interested in earning a high school diploma.

Another important component of the GTCC program is motivational training. All high school students are placed in a specially designed one-week motivational course before undertaking any other courses. GTCC has had success in operating motivational courses and was selected by the local Private Industry Council to also conduct motivational training courses for adult JTPA training participants.

-- Durham Technical Institute is establishing--in cooperation with MDC, Inc. and the Durham City Schools--

a new program designed to help young women move away from employment fields in traditionally female-dominated areas such as clerical work or other low-wage, dead-end jobs.

The goal of the Technical Career Exploration Project (TCEP) is to interest and prepare female high school students for employment in fields relating to math and science. TCEP will engage 35 students with poorly conceived career plans in a year-long series of career exploration activities designed to heighten their interest in and enhance their opportunities for securing employment in high-paying technical occupations.

Selected juniors from the Durham City Schools will participate in a 40-hour technical career exploration course and enroll in vocational workshops designed by Durham Technical Institute. The career exploration course provides time for presentations by guest speakers, field trips, plant tours, vocational testing, job shadowing, and career planning. The vocational workshops offered at Durham Tech will introduce the students to engineering technology, respiratory therapy, opticianry, microelectronics technology, data processing, and architectural drawing. During the summer, participants will be assisted in finding jobs in technical occupations, enrolled in additional academic and technical courses, or both. As seniors, the students may enroll in introductory level courses at Durham Tech.

-- Central Piedmont Community College's ABLE Center uses communications technology (micro-computers, video tape players, filmstrips, tape recorders, and slide projectors) to teach adults who cannot read, write, or calculate above the eighth grade level. While much attention has been focused on ABLE's use of microcomputers, the center incorporates these with traditional techniques such as tutors and small group instruction.

Adults who enter the program reading below a fourth grade level are assigned a tutor and progress through the "Laubach Way to Reading," a reading system that stresses phonics. In addition to this tutoring, eight Apple II micro-computers and miscellaneous software and other communication devices are used to reinforce skills.

Adults reading at the fourth grade through the eighth grade level receive instruction through Control Data Corporation's basic skills system which uses Control Data Corp.'s micro-computers and software. Research shows that students using PLATO's basic skills system can advance one grade level in reading in 20 hours. By comparison, students relying solely on conventional techniques as found in most existing ABLE programs, work 150 hours to advance one grade level.

The ABLE Center is located in the Freedom Mall in Charlotte. The Center is open six days a week and is

equipped to serve 50 people per hour, or approximately 225 to 250 people daily.

The ABLE Center is using eight Control Data microcomputers. These microcomputers have been leased from Control Data Corporation. The Control Data microcomputers are unique in that they feature a touch-sensitive screen. Students do not need to always key in a response, but can touch a certain area of the screen to indicate an answer or move forward. The ABLE Center is also using eight Apple II microcomputers. ABLE staff are using a variety of software programs on the Apple microcomputers which they have purchased. These microcomputers are used with adults whose skills are below grade 3.5.

-- In Wentworth, North Carolina, Rockingham Community College's Special Needs Assistance Project (SNAP), recognizing the obligation of the school to make its course offerings available to the handicapped in its service area, seeks to:

(1) identify individuals with special needs;

(2) assist those individuals in developing appropriate programs of study;

(3) provide the student with needed support services, including the development of an individualized educational plan; and

(4) assist in job placement.

The program serves 16-24 year olds, most directly after completion of high school, emphasizing the goal of

helping the handicapped to develop marketable skills to enhance their employability. Special needs include learning disabilities, hearing loss, blindness, brain injuries, and other physical disabilities. The project utilizes the college's resources to help participants find part-time work, to provide counseling, job-hunt assistance, refresher courses, tuition aid, and other practical supports.

By June 1984, over 1000 people had also completed the HRD program at Rockingham Community College; over half had found steady work; and another quarter had enrolled in adult high school programs or job-training programs at RCC.

REMAINING PROBLEM AREAS

The advances that have been made and the promising practices and pilot programs evident in North Carolina do not yet signify the achievement of perfection or nirvana. As has been pointed out before, the advances have long co-existed with a series of continuing problems: the illiteracy rate of those over 25 years of age (over 800,000) who presumably were not well served by their public education and whose illiteracy gets in the way of their employment and self-sufficiency and a dropout rate (approximately 25,000 students per year in 1984) due in part, according to the Superintendent of Public Instruction, to the students'desire to "remove themselves from an environment in which they feel useless and unproductive."

A 1978 complaint by the NAACP Legal Defense and Educational Fund charged that North Carolina's Five-Year Vocational Plan (1978-83) was in fact illegal because:

(1) the method of distributing funds violated the federal statute and discriminated against poor and heavily minority areas that have high rates of unemployment;

(2) North Carolina had failed to implement the law's mandate to incorporate in its plan measures to overcome sex discrimination and to address sex segregation in vocational education classrooms; and

(3) minorities and women were largely excluded from the vocational education system's policy-making councils, planning process, and state administrative staff.

A 1978 statewide "assessment/evaluation" of occupational programs for disadvantaged and handicapped students prepared for the State Advisory Council confirmed that young people with handicaps, as in so many states, still have trouble even getting in the door:

> ... several local directors indicated that some teachers simply "refused admission" of handicapped students to their class. Teacher reasoning was too often based on the assumption that handicapped meant "mentally retarded" which, in turn, either meant more work or discipline problems.

A 1984 proposal from the office of the Superintendent of Public Instruction highlighted another problem in the delivery of relevant services to high-risk students--the lack

of resource coordination:

> ... the problem is not so much a lack of resources as the way in which these resources are organized. There are a number of agencies with available services which can be utilized to meet the needs of potential dropouts [but] the delivery of human service resources is generally characterized by some fragmentation and lack of outreach with duplication of some services and gaps in others. Local school systems do not have a mechanism for coordination of services to focus high-risk students.

A 1980 report for the National Institute of Education (That Little Has Changed: Vocational Education in the Rural South) used the situation in a rural North Carolina county (Gates County) to illustrate some of the equity issues faced by handicapped, poor and black people in rural areas:

-- For the high school's 63 physically or mentally handicapped students, there was, the principal acknowledged, "no program at all."

-- There was no course in any of the skills usually required of apprentice shipyard employees or any courses in logging or governmental service (the closest major employers).

-- Particularly for women and blacks, vocational education plays an important channeling role which perpetuates jobs in low-paying categories.

-- Two-year post-secondary institutes have virtually consumed advanced cognitive skills development, once the vital bedrock of high school vocational education. Today, in the under-financed rural high

schools, students learn what a welder's arc is. They learn how to use one at the technical institute after graduation (if they make it that far.)

-- New competency tests sometimes help make graduation (the "ticket" to the technical institutes) less likely. Only 7 percent of urban Wake County's eleventh graders failed the reading competency tests in the early 1980's, but 16 percent of Gates County's eleventh graders (who are 53 percent black and 63 percent of whom are below the poverty level) failed that reading test.

These reports are suggestive of the kinds of equity problems which persist throughout much of the South (and the nation), despite the kinds of substantial, systemic efforts like the ones described in this report.

CONCLUSION

In an October 1984 report, the Children's Defense Fund suggested a number of reasons why education advocates and others concerned about the availability of opportunities for poor, minority, and handicapped students ought to take a closer look at vocational education:

-- one in every 20 public school dollars being spent is for vocational education;

-- recent research (Meyer and Wise at Harvard, Rumberger and Daymont at Stanford) has concluded

that the financial investment in vocational education pays off for neither the student nor society;

-- the federal government will spend more than $700 million in 1984-85 on vocational education, a significant portion of which never gets spend on the extra services for the disadvantaged for which it is earmarked and an additional portion of which is spent on ineffective programs;

-- poor, minority, handicapped, and students with limited proficiency in English are still found isolated in programs leading to low-skill and low-paying careers; and

-- girls and women are still found disproportionately in "women's vocation programs."

The North Carolina programs which we have described by no means provide complete solutions to the generally sad "state-of-the-art" in vocational education, but they do provide evidence of a state's ability to mount a many-sided attack on some of the key equity problems besetting vocational education, and to make some demonstrable headway in getting results in those programs in which sufficiently longitudinal data is already available. Nor does the fact that these programs were obviously designed for different purposes (some perhaps having more to do with economic development than equity) at different times minimize their potential current value as a model of a fairly comprehensive

approach to some of the core equity issues in a state, since they now do add up to a "system" covering a wide variety of age groups, and all focus on the needs of some of the most disadvantaged and neglected populations in the state. In addition, the past failures as well as the current successes of these programs can now serve as useful lessons to reformers in other states, and the key strategies used in them can now be extrapolated in a way that may make them more accessible to others.

Some of those strategies bear repeating, because they are particularly relevant to problems which persist in many Southern states and, even in those cases where they seem very commonsensical, they are still not found in many places. The Basic and Vocational Skills Program for seventh and eighth graders, for example, responds to an oft-recognized but rarely treated problem at middle school or junior high school level: some of the most obvious "losers" in the educational opportunity game are already clearly identifiable by the end of the sixth grade. Although we can identify them and safely predict their continuing failure if they continue along conventional academic tracks, we rarely provide special programs designed to help turn them in a different direction at this stage of their education. By intervening at this relatively early stage, by self-consciously seeking to make the educational experience feel very different and more relevant to young people already turned off and used to failure in school settings, by focusing on the basic skills

that many of these young people never really mastered the first time around, and by concentrating on the relatively few who are at the lowest performance levels, the designers of the program have created the potential for real dropout prevention. Most dropout prevention programs which operate at high school levels are trying to lock the barn door after the horse is stolen; this one at least preserves the chance of keeping the horse in the barn.

The Job Readiness Training (JRT) Program also has the good sense to focus on the kind of young people who often slip through the cracks: general track students unlikely to experience post-secondary education of any kind. JRT also recognizes the practical and motivational value of work experience integrated with concentrated skill development, and the importance of working directly on motivational issues. Providing 40% of instructor time for job development and employer contact also makes it more likely that the program will have the practical effect of getting an initial hold on some beginning job ladder.

The Human Resources Development (HRD) Program also includes a population which is usually underserved and only rarely served by post-secondary institutions: people on welfare (predominately women) with significant basic and vocational skill deficiencies. This is a group especially in need of service because of the schools' earlier failures in providing vocationally useful skills. Since it is also the group which will predictably suffer the highest incidence of

poverty and welfare dependency in future years, it is a group in whom strategic current investments make especially good sense. The Program's growing awareness of the need to open up training for better-paying jobs in the future while responding to the more immediate needs for paying work also provides some useful lessons for others concerned with helping people on welfare to become self-sufficient: it doesn't help enough merely to get a woman on welfare into some low-paying, go-nowhere kind of job without also helping her learn about some of the other opportunities to break out of the cycle of poverty in the future. HRD also utilizes the earnback index, which in theory merely rewards institutions which get the best practical results by increasing their next year's HRD allocation, but which in fact also serves the useful psychological purpose of keeping program operators' attention focused on the need for external results (jobs, salaries, welfare reductions) rather than on internal "improvements" in program participants. This is the kind of criterion that helps keep do-good programs "honest" in a way that benefits the participants.

The various community college programs described illustrate what a responsible community college can do for handicapped students, dropouts, low-income women and other disadvantaged groups whom they too often only pretend to serve. We should note the obvious piecemeal nature of these programs; they hardly represent any kind of comprehensive or cohesive approach to these problems on the part of the

community college system as a whole, as for example, HRD does. It should also be clear that many of these programs, like HRD in its early years, are "in" but hardly "of" the community colleges which sponsor them. These caveats aside, however, they still demonstrate some important ways in which community college leaders can move their institutions to a more responsible posture in their communities, and they reflect some good thinking about the kinds of programs that can work. The Rockingham program, for example, has the good sense to incorporate job placement activities as a key component of any employment program for special needs students, as well as helping participants to develop marketable skills. The Central Piedmont program recognizes the need to "make up for lost time" in dealing with the problem of adult illiteracy, and ties the community college's resources into that key community problem. The Durham Technical Institute has tackled the problem of avoiding low-wage, dead-end jobs for poor and minority women in a creative way, and thus represents one of the few good examples of ways around the dilemma of vocational education in so many places: that even when females are successfully prepared for work, the jobs they are prepared for perpetuate racial and sexual stratification in the labor market. Finally, the program at Guilford Technical Community College illustrates how community college resources can help deal with the problem of recent school dropouts in a way that many of the public school systems from which these students have recently dropped out could not handle.

The above comments hopefully illustrate why North Carolina is a good choice for looking at equity issues in vocational education in the South: not because it has necessarily made an all-out assault on the issue (no state has), but rather that for a variety of reasons (including perhaps political advantage, economic gain, and political pressure) new practices are being tried across a wide variety of age groups and population groups, careful reporting and evaluation of many of these new practices is readily available, lessons from experience have in certain cases already been learned and taken to heart, and there are promising glimmers of significant institutional change in some of these programs. Somewhat serendipitously, this state has now put in place some of the key components of what could become a fairly comprehensive program to increase equality of opportunity in the vocational education systems of the state, and to correct some of the effects of past inequities.

The existence in North Carolina of highly professional university centers and research and evaluation agencies--such as MDC, Inc., and the Southern Growth Policies Board--also helps insure that some of the newer programs (JRT expansion, Basic Skills in Seventh and Eighth Grades) will continue to get the scrutiny and analysis necessary for local policy-makers and potential adapters to learn and build from them, and that a continuing flow of data, documentation, and discussion will be available to planners and policy-makers. The most obvious remaining equity problems (exclusions of

handicapped students from work-study and work-experience programs, the lingering inaccessibility of many "non-traditional" programs to young women, exclusions of students labeled mentally retarded from employment programs leading to jobs in the private sector, the general absence of high-payoff occupational training opportunities to black women, teen parents, rural blacks, and others who face a lifetime of underemployment, unemployment, and dependency, etc.) also are likely to receive closer scrutiny under these conditions, and supplementary programs to meet these additional needs are more likely to develop in such a context.

For all these reasons, the past experiences of equity-related programs in North Carolina can provide a useful starting point for people interested in making progress in this area. Viewed in the context of the generally sorry record of vocational education in equity areas, and the developing crisis of confidence in secondary vocational education as a whole, these ideas and experiences could become a useful tool of change agents throughout the South.

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GUBERNATORIAL LEADERSHIP

IN

EMPLOYMENT AND TRAINING

Opportunities in the Job Training Partnership Act

by

David S. Mundel

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TABLE OF CONTENTS

Page

Introduction: The Governors and Employment Initiatives ... 113

An Evolving Tool: From MDTA to JTPA, with CETA in Between 115

Is a Program Needed? Can it Work? 119

JTPA as a Response to the Problems of the Employment and Training System 122

What Can the Governor Do to Make JTPA Effective? 127

- Regulatory Power 127
- Political Influence 130
- Financial Influence (Performance Standards and Incentives) 131
- What are the Performance Indicators and How are the Standards Set? 133
- How Can Governors Vary Local Performance Measures? .. 136
- Potential Impact of the Model in Establishing Local Standards 137

Potential Pressures Against Performance 139

Conclusion 140

INTRODUCTION: THE GOVERNORS AND EMPLOYMENT INITIATIVES

Governors around the country, long preoccupied with attracting new industries and their jobs into their states and with the costs and quality of education, are adding a new item to their agendas: preparation and training of their labor force. While not all governors' initiatives focus on the disadvantaged, many do. For example, Texas Governor Mark White has directed the development of statewide policies for coordination of job training, economic development and education, coupling that initiative with a strong effort to reform the basic operation of the state's public schools. Arizona's Bruce Babbitt has focused that state's attention on the growing problem of illiteracy among Arizona's 500,000 dropouts aged 16 and over. New York's Mario Cuomo has developed the School to Employment Program (STEP), designed to build bridges between school and work for New York's large disadvantaged population. California's George Deukmejian is proposing a major initiative tying together state welfare programs with employment and training programs statewide, based on a successful development in San Diego. Massachusetts' Michael Dukakis is building on the success of that state's ET/Choices welfare recipients' employment program by proposing a permanent "second chance" system for young school dropouts, to be funded by a combination of federal and state funds.

In the South, Virginia's Chuck Robb has combined the efforts of disadvantaged young people, three different communities along the Chesapeake Bay, and state conservation

objectives into the Bay Area Initiative, which will restore tributaries and public parks along that historic Bay. South Carolina's Dick Riley has initiated a bold effort, called the State Employment Initiatives for Youth to tie together youth employment efforts in that state with a far-reaching school reform effort, the Education Improvement Act. And in Florida, Governor Bob Graham has focused that state's Job Training Partnership efforts on developing a coordinated nine-state-agency system for reaching the high-risk, disadvantaged population through job training, education, social services, and private sector partnership.

What do all of these governors have in common? In short, each is providing leadership in job training for the disadvantaged. Each is focusing on an important state goal, and assembling the tools to attack it--combining their political influence and power with their statutory authority over state and federal resources to attempt bold reform and concentrated service. While each initiative differs from every other in detail, all address a traditionally unserved, disadvantaged population with a program of services designed to prepare at-risk people for employment. Finally, and perhaps most important, each of these major gubernatorial initiatives shows a governor grabbing hold of the several tools available to him and using them for locally-defined purposes. One such tool, central to most of the programs cited here, is the federally-initiated Job Training Partnership Act.

AN EVOLVING TOOL: FROM MDTA TO JTPA, WITH CETA IN BETWEEN

During the last two decades, the federal government has supported a variety of programs intended to improve the employment chances of disadvantaged and unemployed individuals. Despite the expenditure of billions of dollars and the accompanying fanfare, the impact of these efforts has been modest, at best. Many factors have limited their effectiveness, especially the following three:

-- the problems they were trying to solve were simply too complex and large for the solutions that were offered;

-- the resources which were spent were often inefficiently "targeted"--that is, they were spent on services for people who did not need them or could not benefit from them; and

-- too many of the activities supported by these funds were ineffective, due to poor match of program to client, poor connections with consumers (either employers or participants) or poor management.

The Job Training Partnership Act (JTPA) was passed in 1982 as an effort to overcome the latter two of these three sources of program failure. Clearly, the limited federal budgetary support of such programs constrains by definition the programs' capacity to "solve" complex social and economic problems.

Whether or not JTPA succeeds will depend on the behavior of many actors--particularly of governors. With a much

expanded role for governor's envisaged by JTPA, there is a need and an opportunity for gubernatorial leadership.

First, some context. The Job Training Partnership Act (JTPA) is the latest in a twenty-year series of federally-funded, locally-operated employment and training initiatives. The Manpower Development and Training Act (MDTA) and the Concentrated Employment Program (CEP) provided direct federal grants to local governments and not-for-profit institutions (during the 1960's and 1970's). Both programs focused on individuals and regions suffering from structural employment problems--i.e., low wages or a lack of employment because of either inadequate skills and education or economic dislocation.

In 1973 these programs were replaced by the Comprehensive Employment and Training Act (CETA), in which the federal government provided grants to local governments or groups of governments (so-called "prime sponsors"), designed to combat both structural and cyclical (related to inadequate aggregate demand) employment problems. While CETA was originally introduced as a block grant program, these prime sponsors operated over time under an increasingly specific framework of federal mandates and regulations.

Throughout the two decades the developing employment and training system was dominated by three overarching realities:

-- continuous change;

-- a dominant federal role, a limited role for both states and private business, and a restricted local government role; and

-- a lack of focus on outcomes for clients, and of incentives for positive program performance.

Since its birth in the early 1960's, the nationally-initiated employment and training system has been characterized by frequently-altered legislative authorization, shifting political priorities, and fluctuating funding levels. Such instability has severely limited the development and performance of a true "system." Each new piece of legislation brought new guidelines and regulations to the employment and training sector. Priorities were volatile--in one year education and training of disadvantaged youth would be expanded, and in the next program operators would be required to rapidly expand the number of public jobs available for cyclically-unemployed adults. During the late '70s and early '80s, CETA prime sponsors were first asked to offer jobs to all the unemployed; then to expand rapidly the number of jobs offered while redirecting them toward the disadvantaged; and then to institute rapid program cutbacks without severely harming the currently-enrolled participants. At the same time that legislation and priorities were changing, so too were federal funding levels--always growing or shrinking, and straining the local capacity to adapt and still deliver effective services.

A dominant federal role, an over-regulated local government role, and limited state and private sector roles also defined the employment and training experience throughout the '60s and '70s. Limited roles for state government and for private employers tended to lessen the responsiveness of the

employment and training system to local economic conditions and to employer needs. Similarly, tight restrictions on local governments limited their capacity to respond to the clients of the employment and training system--disadvantaged individuals seeking new skills with which to compete in the labor market and private businesses seeking new employees. Federal legislation, funding, and regulations dominated the system, and state activity was generally limited to rural areas where local governments were not large enough to become prime sponsors. Even where they were active, states operated under tight federal regulations and few, if any, state funds were used. Until 1978, the private sector role in developing local employment and training policy was almost non-existent. After the 1978 passage of a CETA amendment establishing Private Industry Councils, the private role was largely advisory, without formal clout, until the 1982 passage of JTPA gave PICs a more dominant place.

Finally, during the '60s and '70s, input-oriented regulations, rather than output- or performance-oriented incentives, dominated the employment and training system. Legislative mandates and administrative regulations regarding participant eligibility and "allowable activities," strict reporting guidelines, and formula-based funding and participant levels prevailed. Consequently, prime sponsors and program operators spent much more effort on audits, input-oriented accounting systems, and reports than they spent on improving the system's outputs. These and other

performance-limiting factors--plus the frequent charges of "fraud and abuse"--contributed to the employment and training system becoming the most criticized domestic program during the 1980 presidential campaign and the least-defended program during the 1981 and 1982 executive and Congressional budget processes. No program was more vilified than CETA and no program's funding was more severely cut.

IS A PROGRAM NEEDED? CAN IT WORK?

At the same time that CETA was attacked and its funding cut, it became increasingly clear that employment and training services were needed. There was a growing realization that without an effective employment and training system large numbers of disadvantaged youths and adults would remain unemployed or, at best, marginally employed during periods of low levels of overall unemployment. At high levels of unemployment--say, during recessions--many forces, including a lack of skills and discrimination were even more damaging to the potential for employment success among disadvantaged youth and adults. The gaps between well-off and disadvantaged, between white and black, grew dramatically during recession, and did not respond well to general recovery.

At the same time, a growing body of research--especially evaluations of the Jobs Corps and other CETA youth programs--was beginning to show that employment,

training, and education services could positively influence the employment prospects of disadvantaged participants.

The evidence on potential effectiveness of training was clear and not surprising. Most carefully conducted studies of training activities (not of the CETA system at large but of some of its services) showed that these activities could result in small, but significant, wage and income gains and reductions in unemployment if the services were intensive and responsive to local employer needs. Service intensity was enhanced by the allocation of more staff resources to trainees and by longer term programs. Responsiveness to local labor market needs was enhanced if potential employers played a strong role in designing programs and in selecting which programs should be funded.

Somewhat surprisingly, several studies found that services would be more effective if services were targeted toward more disadvantaged participants (i.e., less-educated, lower-income, or minority individuals). Program operators and prime sponsors had known that one way of achieving higher program outputs--higher job placement rates and higher post-program wage levels--was to choose more qualified participants. This "creaming" process--choosing the best participants in order to improve measured performance--was well known and often used.

The evaluation studies did not contradict the perceived utility of this strategy for increasing measured program outputs but they did show that if one were interested in

changing the unemployment levels or wage rates from what they would have been in the absence of program interventions, then "creaming" was an ineffective strategy. The research showed that "creaming" is a useful strategy for achieving high post-program wages and employment levels but "targeting" on more disadvantaged participants is a better strategy for increasing the net impact of training programs.

The difference between "creaming" and "targeting" strategies for improving program outcomes is quite simple. If one measures outcomes based on an absolute standard--for example, post program wage levels--creaming is an effective strategy for improving results. If, on the other hand, one measures outcomes on a relative standard--for example, post program wage levels minus the wage levels participants would have experienced in the absence of program participation--then one would want to target on potential participants who can most benefit from program participation.

Research evidence pointed to a dual importance of targeting that should be emphasized. First, targeting is a strategy for insuring that resources are concentrated on those participants who are most in need of assistance--the more disadvantaged. Second, targeting services on these individuals will increase program performance--if the net impact of the program is what is sought. Such lessons from experience have an important bearing on the way JTPA can be implemented and on the leadership roles for governors.

JTPA AS A RESPONSE TO THE PROBLEMS OF THE EMPLOYMENT AND TRAINING SYSTEM

JTPA evolved from CETA, and its forebears, for several reasons. Cynically, one could believe that JTPA was simply developed because the new Administration needed to replace the CETA system that it had vociferously attacked during the 1980 campaign. Alternatively, one could believe that the poor performance of CETA, coupled with the growing awareness of the need for and potential efficacy of training, created the necessary and sufficient pressures for reform. Clearly, both forces came into play.

JTPA changed the employment and training system in several ways that have enhanced the system's potential for effectiveness. The most important changes include:

-- redoubled emphasis on training services for disadvantaged population groups; diminished stress on public work experience and income transfer;

-- expanded involvement of state governments--particularly, governors--and of the private sector; and

-- an increased emphasis on positive performance, through performance-drive funding allocations.

The desirability of restricting allowing JTPA activities and participants is clearly demonstrated by most evaluation studies. Throughout the 1970's, research studies showed that the most effective programs--in terms of increases in wages and employment levels following program participation--were training and education programs.

Consequently, JTPA restricted funding to these activities rather than public sector job creation activities. Work experience was also de-emphasized. Similarly, the evidence with respect to targeting resulted in the continuing of restrictive CETA eligibility rules under JTPA.

One potential problem with these JTPA restrictions is the strict limits placed on the use of federal funds for participant stipends. Under CETA, the share of funds that could be used for stipends was not limited and many prime sponsors provided stipends for all eligible adult enrollees. Under JTPA, the use of federal funds for stipends is severely limited.

The use of funds for stipends is a two-edged sword. On one side is the clear evidence that if more funds are devoted to training, the program can have a greater net impact on participants. On the other side is the unresolved issue regarding whether individuals from lower-income households can afford to engage in long-term training activities if they cannot receive even modest stipends. If because of a decline in stipends either very low-income participants do not enroll or programs are shortened to facilitate their enrollment, then the potential performance improvements resulting from the increased emphasis on training will be lost. These losses will result from reduced targeting (and consequently more creaming) and reduced program intensity--each of which is a strong factor in determining program effectiveness. In response to the

federal limits on stipends, a few states have considered using state funds to provide stipends.

The continuation of CETA client eligibility restrictions is another two-edged sword. Clearly, limits on eligibility are needed if the program is to be a targeted rather than a universal instrument. But the CETA eligibility limits (while appearing to be tight) are really quite loose--i.e., many eligible individuals are only unemployed temporarily and would be successful at finding and holding jobs in the future, without any programmatic assistance. This loose targeting will tend to diminish to the program's effectiveness if:

1. the number of eligible participants is far greater than the number that can be served; and
2. the key decision-makers are interested in absolute, rather than relative or net, levels of program performance.

Current funding levels have exacerbated the first of these conditions--the number of individuals who are eligible is far greater than the number that can be served. Whether or not the second condition will occur is uncertain--the jury is still out regarding whether or not governors and private sector-dominated planning councils will be interested in targeting.

There are many reasons to expect that governors and private-sector policy-makers may be more interested in creaming than in targeting. First, to many observers all

JTPA-eligibles appear to be very disadvantaged and these observers consider targeting to be a moot issue. Second, for political and other reasons, governors and others may want to serve as many participants as possible and "creaming" allows short term, less intensive, and, consequently, less costly programs to appear to be successful. Third, private firms which clearly "cream" in their own hiring decisions may see little wrong with creaming in this publicly-funded activity. And finally, absolute levels of performance (as opposed to net/relative levels) are more easily described publicly--especially in comparison with a well-targeted and effective program that results in substantial net effects but very low absolute levels of performance.

The JTPA-induced increases in gubernatorial and private sector involvement can also be a strong positive factor in increasing employment and training system effectiveness. Governors should be more able to develop guidelines, regulations, and program initiatives that respond to the needs of local governments and local labor markets than were the Department of Labor and the U.S. Congress under CETA. Similarly, private sector involvement in program design and funding decisions should encourage greater responsiveness to potential employers, and result in greater program performance. But simply requiring greater involvement by governors and private business leaders does not guarantee that their involvement will result in improved performance. For example, employers in their search for employees may encourage program

operators to cream, although such a policy would reduce the net impact of JTPA services. Similarly, gubernatorial involvement may increase targeting but governors may also be pressured to serve a wider spectrum of program eligibles, thus reducing targeting.

The required use of performance-driven funding allocations is another JTPA reform that holds promise, but is not a guarantee for improving the performance of the employment and training systems. Under CETA, prime sponsors received funds on the basis of their size (population) and the severity of their unemployment problems. Performance--for example, the number of eligibles placed in jobs--did not affect funding levels. Under JTPA, governors may reward localities that perform highly with additional funding. Performance incentives can stimulate better performance if they are well designed and influence significant levels of funding. Alternatively, performance incentives may be designed to stimulate changes that are not improvements or they may be so weak as to be ineffective, even though well directed. Again, the role of the governors in developing and implementing effective performance incentives is central.

One weakness in the JTPA system incentive-funding is the lack of incentives for governors themselves. JTPA allows a governor to create incentives for localities, but the federal fund allocation process does <u>not</u> create incentives for governors themselves. This is further reason to expect that governors will not be interested in strong targeting.

WHAT CAN THE GOVERNOR DO TO MAKE JTPA EFFECTIVE?

The Job Training Partnership Act has given governors a central role in influencing the effectiveness of the employment and training system--i.e., whether the system changes the employment chances of those most in need of assistance. The three mechanisms which JTPA provides governors are:

1. Regulatory--the power to promulgate rules, regulations and reporting requirements and to approve or disapprove of annual plans developed by local governments and local planning councils.
2. Political--the opportunity to influence the level and quality of private and public involvement at the local level.
3. Financial--the authority to develop and implement performance-based funding allocations.

Regulatory Power

Although many of the federal CETA rules and regulations will continue to influence JTPA, governors can also add additional regulations and reporting requirements--if they want to. These state level regulatory actions can either encourage improved performance or, if inadequately designed and/or implemented, detract from performance.

Increased performance could be encouraged if:

-- Governors required program operators to carefully monitor both the characteristics of the eligible and participant populations and measure the net impact of programs. Clearly, this monitoring requirement

would focus attention on net/relative versus absolute outcomes of programs.

-- Governors directed local councils to implement corrective actions or funding strategies that either improved program operator performance or restricted contractor eligibility to effective operators. (A major problem in CETA was the subcontractors, even when they were operating poorly. Governors are more removed from such pressures than mayors and thus can more easily require corrective actions, if they want to.)

-- Governors required that at least a specified level of service be provided to more disadvantaged populations. This requirement would act against possible local government and private sector desires to "cream" and would symbolize gubernatorial interest in targeting.

-- Audit attention was focused on performance outcomes rather than financial inputs, and audits were based on statistical samples of participant, program, and financial records rather than 100 percent "samples" that require more resources be devoted to audits than to services. Under CETA, almost all audit attention was focused on finances rather than performance and the audit process was very cumbersome and expensive. If governors wish to focus attention and effort on performance, a

change in this audit orientation is clearly required.

Such state level regulatory policies could encourage improved performance by concentrating resources on more effective programs and more disadvantaged participants. Furthermore, focusing regulatory attention on outcomes, rather than program inputs, would also emphasize the importance of performance to local governments, Private Industry Councils, and program operators. The style of state regulatory efforts can have an impact on the perception, and thus the reality of whether JTPA is "business as usual" or something different.

With funding for employment and training programs dramatically reduced from the levels of the late 1970's and with the need for effective services continuing to be high, it is important that governors use their regulatory power to focus attention on outcomes, rather than on inputs. Regulatory processes focus both administrative and public attention--anyone who read a newspaper during the 1976-1982 time period is all too well aware of "CETA cost disallowances" and almost totally unaware of the program's positive impacts.

Whether or not governors have refocused regulatory attention is unclear. Some observers report that in order to simplify the acceptance of state JTPA regulations, some states have merely adopted the previously promulgated federal regulations. Other commentators report that governors and state level employment and training agencies are not sanguine regarding their ability to influence program outcomes and are

extremely leery of being associated with the kinds of financial abuses that characterized the public view of the CETA system. Consequently, regulatory attention has continued to be focused on financial issues rather than performance.

Political Influence

In addition to their regulatory influence, governors can have a strong political influence over the JTPA system. This political influence results from their power to approve local plans, to approve the proposed membership of local planning councils, and to restructure local systems if their performance is inadequate. These powers of the governor are more substantial than those under CETA, where political power over the employment and training system was primarily shared by mayors and not-for-profit subcontractors and to some extent by federal administrators.

Under JTPA governors can use their political influence in concert with their regulatory influence to improve system performance. The power to approve (or deny approval to) locally-developed plans to restructure local systems gives governors important instruments for insuring compliance with regulations and for stimulating performance improvements. The power to establish guidelines for planning council membership gives governors the ability to influence the structure of locally-created political and economic pressures. For example, by requiring that the business members of local planning councils be CEO's from local corporations, governors

can strengthen the role of business in local planning. Governors can also use their political leadership to motivate local government and business leaders to serve those most in need. In addition, governors can use their political influence to strengthen the connection between employment and training programs and state-supported economic development programs. For example, governors could require that businesses which receive state assistance either hire JTPA program graduates and/or share in the support of JTPA-funded activities. Alternatively, governors might target the JTPA funds they control to localities where economic development initiatives are clearly resulting in the hiring of JTPA participants.

The potential for gubernatorial political influence over the implementation of JTPA is great. The major issues are how and whether or not this influence will be used to improve the performance of the employment and training system and insure that this system serves those who are most in need of assistance. If governors are wary of becoming identified with what was a politically-unattractive or unsuccessful program, their political involvement and influence is like to be slight. However, avoiding these potential liabilities may be short-lived given the role that governors have been assigned in the JTPA process.

Financial Influence (Performance Standards and Incentives)

In addition to establishing the ability of the governors to use regulatory and political influence, JTPA established

financial incentives that governors may use to stimulate improved performance by local employment and training systems. As with CETA, most JTPA funds are distributed to local areas on the basis of population and unemployment levels. But under JTPA, a portion of the federal funds is to be distributed among localities on the basis of program effectiveness. The use of financial incentives in concert with regulatory and political pressures provides governors with a clear opportunity to have a strong influence over the JTPA system.

Program performance can influence the allocation of JTPA funds in two ways. First, a portion of JTPA funds can be distributed on the basis of an area's reaching or exceeding an expected level of performance. Second, if an area's performance is continuously below its expected performance level, a governor can provide technical assistance to the area, restructure the governance of the area's employment and training system, and/or mandate a redesign of the area's program.

The keys to the effectiveness of performance-oriented financial incentives lie within a governor's discretion. Governors can have a limited, and perhaps negative, impact on system performance if they use inaccurate measures for establishing acceptable levels of performance or do not aggressively use their fund allocation powers. Alternatively, governors can use financial incentives to substantially improve performance and targeting by

considering enrollee characteristics and other criteria in establishing local performance standards and by distributing a substantial share of JTPA resources on the basis of these standards.

The JTPA specifies that both the U.S. Department of Labor and governors have distinct but related responsibilities in the establishment of performance standards. The Department of Labor is responsible for selecting an appropriate set of performance indicators as well as setting national standards for each of these indicators. Governors, in turn, may adjust these national standards to account for differences in local planning decisions, participant characteristics, and economic conditions. Furthermore, governors have the option of determining "...whether additional standards for hard-to-serve individuals will be established and used for the purpose of awarding incentive grants."[1]

What are the Performance Indicators and How are the Standards Set?

To illustrate the potential of the use of such a technical tool, let us examine the case of 1984's nationally-issued performance standards for JTPA programs. The Secretary of Labor developed seven key national program performance indicators and standards for program year 1984.

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[1]U.S. Department of Labor, "Guide for Setting JTPA Title IIA Performance Standards for FY 84," January 1984, p. 11.

FOR ADULTS, THE FOUR INDICATORS CHOSEN WERE:	
Entered employment rate	50.4%
Cost per entered employment	$7,172.22
Average wage at placement	$ 4.39
Welfare entered employment rate	41.0%
FOR YOUTH, THE THREE INDICATORS CHOSEN WERE:	
Entered employment rate	28.7%
Positive termination rate	76.7%
Cost per positive termination	$4,351.50

The levels of the national performance standards were based on the historical performance levels of the CETA System and an assumption that productivity would improve under JTPA. Governors may use these national standards in allocating incentive grants among localities.

However, if governors simply apply these national standards passively to local performance, they will encourage "creaming" and thus reduce the net impact of the JTPA-funded services. This negative impact of the use of national performance standards results because the easiest way to achieve any absolute level of performance--for example, a given or set wage level for program graduates--is to select high quality program entrants. Under JTPA governors may adopt national standards, and thus encourage creaming.

Alternatively, governors can adjust the national average performance standards in order to establish more appropriate and potentially more effective local standards--standards that do not encourage creaming, but encourage targeting and better net performance. These adjustments can take the form of:

1. Adjustments to the national performance standards to take into account local conditions and the characteristics of participants in local programs. (For

example, a governor could set a local level below the national level if a local program serves high proportions of very low income participants.)

2. Adjustment to standards to account for unique circumstances, i.e., factors not considered in either national standards or national performance models. (For example, a governor could establish a local standard below the national level if a program served a high proportion of ex-offenders.)
3. Adjustments based on predicated improvements in provider productivity. (For example, a governor could increase the expected and accepted level of performance for a locality that does not increase its targeting over time based on the assumption that the area's performance should improve over time.)
4. Adjustments to explicitly require or encourage service to more needy, more disadvantaged clients.

Again, the issue is whether or not governors will make use of the JTPA-allowed opportunities to improve the performance of the employment and training system--to adjust national performance levels for local conditions and state priorities. The existence of national levels--calculated and "blessed" elsewhere--makes it attractive to accept them and politically difficult to modify them. Furthermore, many of the appropriate adjustments would appear to be accepting lower performance from a system whose performance is already publicly questioned. In addition, JTPA allows governors to

make these adjustments but governors are provided no positive incentives to do so.

On balance, it is difficult to predict that governors will be aggressive in changing national performance standards. Consequently, the impact of the performance funding incentives of JTPA may well be negative, rather than positive.

How Can Governors Vary Local Performance Measures?

In order to assist governors in estimating how local program characteristics affect performance and thus to establish local standards that differ from national ones, the Department of Labor has developed a statistical model for predicting performance. This model used data from the CETA system to estimate how local performance is influenced by local program and participant characteristics. For example, this model shows that if a local program serves a high proportion of welfare recipients (i.e., higher than the national average proportion), the proportion of its enrollees who enter jobs following training will be lower. Similarly, the model shows that if an area has a higher unemployment rate, its "entered employment rate" will be lower. The model used a regression methodology to develop "weights" that describe how the various local conditions and enrollee characteristics influence local performance. The input data for this model were CETA performance levels. By accounting for these factors, a governor could produce local standards

that encourage increases in the net impact of local systems rather than use national standards that encourage creaming.

Potential Impact of the Model in Establishing Local Standards

As an example, consider a local plan that shows service to high proportions of black, handicapped, and welfare recipient enrollees. In each case, the model indicates that these enrollee characteristics will result in fewer adult enrollees entering employment and thus the expected level of local performance will be lower than the national standard.

The departure point for the calculation of the expected performance level is the:

-- National Expected Adult Entered Employment Rate: 47.0%[2]

Next, the local parameters are considered by multiplying the difference between the local and national parameters by the model estimated weights:

-- Local Characteristics and their "Weights":

Characteristic	Assumed Local Level	Average National Level	Weight	Expected Performance
% Black	35	29.7	-0.10	-0.53
% Handicapped	15	10.3	-0.29	-1.363
% Welfare	35	28.2	-0.22	-1.496

[e.g., -0.53 = (35 - 29.7)(-0.10)]

Next, one adds the impacts of the local factors to the National Expected Rate.

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[2]The National Expected Rate differs from the National Standard because the latter includes the "productivity improvement" assumed by the Secretary in developing the national standards.

-- Resulting Local Expected Adult Entered Employment Rate: 43.6% (47.0 - 0.53 - 1.363 - 1.496 = 43.611)

By making these adjustments to the national expected performance rate, a governor can correct for local conditions and program characteristics. If the "weights" developed from CETA experience are valid, these adjustments can, at least partially, help to correct for the incentives to "cream" that would result from a simple use of the national standard.

In addition to formula-based adjustments, governors can adjust estimated local performance levels for unique local circumstances. These unique characteristics can include either factors that are in the national model but for which the local level is so different from the national average that the model-based corrections are not accurate or factors that are not included in the national model. This enables a governor to give substantial attention to particular population groups. For example, a governor could adjust the "expected entered employment rate" either upward or downward if a local area's service to welfare recipients is either substantially below or above the national average. Significant levels of services to other hard-to-place enrollees--for example, ex-offenders or teenage parents--could also be the basis for a reduction in the expected performance level, because service to these groups is not formally accounted for in the model.

The finally allowed adjustment is for productivity increases. This allows a governor to adjust upward or

downward an expected performance level for a locality based on an estimated productivity change. For example, if a governor wants to encourage local providers to increase their service to welfare recipients, the expected performance level can be lowered if this change in enrollee characteristics is implemented. Alternatively, if local providers reduce their service to hard-to-place enrollees--i.e., the expected level of output) will increase by more than the model-predicted level.

The potential efficacy of the financial incentives created by performance-based funding is limited by two factors. First, during the early years of JTPA only a small fraction of the federal funds are allocated to performance-driven incentive grants while the remainder are allocated by formula. Local performance is unlikely to be influenced by small changes in funding and few governors are likely to invest substantial political capital in systems that influence only a small fraction of employment and training dollars. Second, governors may limit, or even make negative, the performance effects of incentive-based funding levels if they use national, rather than local standards. As argued above, there are few, if any, incentives for governors to use other than national standards.

POTENTIAL PRESSURES AGAINST PERFORMANCE

Although the JTPA laws and regulations provide governors with substantial opportunities to improve the performance of

the employment and training system, they provide little incentives for governors to make use of these opportunities. Furthermore, JTPA laws, rules and funding levels create a number of pressures that may detract from performance. First, the limit on stipends may restrict participation by lower income individuals or restrict their participation to shorter term programs. Governors will need to encourage program enrollment by welfare recipients (who already receive stipends); develop state-supported stipend programs; and use their regulatory, political and financial controls provided by JTPA to counteract these performance-reducing pressures. Second, the private businessman involved in the PIC's may encourage "creaming" if they see the employment and training system solely as a way of reducing their labor costs rather than as a system to change the employment chances of more disadvantaged individuals. Third, local governments may respond to the reduction in federal support by cutting back on service intensity and program length in order to serve as many eligible clients as possible. These changes will reduce the net impacts of programs.

CONCLUSION

The Job Training Partnership Act (JTPA) has provided governors with a substantial tool for influencing the preparation of disadvantaged citizens for productive employment. Within the technical rules of JTPA, governors have significant practical and statutory powers that can be

used to improve the performance of the employment and training system. Through regulatory, political and financial influence, governors can create incentives that reward good performance and penalize poor performance--incentives that were notably lacking in the CETA system and can increase the degree to which the most disadvantaged are served in a system naturally inclined to leave them out.

Whether or not governors will use these powers is unclear. It will be easier to devote regulatory attention to inputs and allocate funds on population data than to concentrate on the net effects of program operations. It will be easier to allow "quick-fix" programs that serve substantial numbers of eligible participants but have no lasting effect on more disadvantaged individuals. But, unless governors concentrate attention on net impacts, the poor performance record and reputation of CETA will be paralleled by a poor record and reputation of the governor-dominated JTPA system. And, perhaps most important, they will have lost an important opportunity to turn JTPA into a useful tool for their own defined purposes. Put positively, it appears that a number of governors are beginning to develop their own employment, training and educational initiatives aimed at the economically and educationally disadvantaged. JTPA is the single most substantial tool at their disposal. To the extent that they can bend it to positive state purposes, both their states and the disadvantaged can benefit.

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